



Can IT Help **My Business Grow?**

By Thomas H. Douglas

SUMMARY

When both the “business of IT” and the “operations of IT” are aligned with your organization’s strategic plans, technology can be fundamental to helping your business innovate, be more productive, and create outcomes that lead to greater growth and profitability. Here are eight ways that IT can help your business conquer your market.

The short answer to the question in the title is an emphatic, “Yes!”

We have seen innovators and companies who are willing to make IT investments reap great rewards. We’ve also seen companies that are unwilling to invest in technology fall behind their competition and become obsolete.

I can think of two glaring examples: Kodak and Blockbuster. Kodak was actually the first company to develop the digital camera, but they decided to bury it. Blockbuster had the chance to buy Netflix and passed it up. Both were stuck in their current mode of operation and didn’t want to be disrupted. We know how that turned out.

But the less obvious question to answer is, “How can IT help your business grow?”

The answer to that is found in the culture you create by having high-quality IT.

As you already know, culture follows the path of the leadership in an organization. If you bring stability and positivity, the culture will follow. Likewise, if you bring negativity and pessimism, the culture will follow.

A Gallup study released in 2016 found that companies with a strong culture have a profitability increase of up to 19% in operating income and 28% in earnings growth. Those are real numbers that have been proven over and over again.

So, how does this relate to IT?

It's not complicated. Good people want to do quality work. They need good tools and a positive and consistent experience to do that. You can have the best carpenter in the world, but if he doesn't have a hammer, he can't easily build a house. The same is true for your team. They need the right tools operating in a consistent manner to produce the results expected of a high-performing team.

However, creating that environment and delivering that experience takes some effort. To simplify, I break this down into two areas that require equal focus:

- **The operations of IT**
- **The business of IT**

To facilitate a high-performing team that produces higher profits, both the operations of IT and the business of IT must be on point.

Operations of IT: This is defined as the day-to-day delivery of IT services that ensures an organization can maximize its technology investment so people can maximize their productivity. This is accomplished through helpdesk services; security; server, network, and workstation management; backup and business continuity strategies; application and data management; patch management; firmware; and vendor update management.

Business of IT: This is defined as the strategies that ensure that the technology design meets the mission of the organization and aligns those outcomes with the budget and lifecycle management plans. It should result in appropriate investments being made to protect the organization from underspending, wasting resources, or overspending. By properly aligning design, resources, and capabilities, your technology will advance the organization toward its objectives.





Specifically, the following eight actions will help you manage the operations and business of IT in a way that will grow your business:

1 Align IT with the strategic business plan.

IT should support and complement your business plan. For many organizations, IT is not seen as a means to achieve strategic objectives. However, in the modern business era, this strategic alignment is non-negotiable.

2 Plan the lifecycle for every piece of hardware and software.

When any component goes into use, your organization should know when it will be removed. This could be a three-, four-, or five-year cycle, depending on the technology. Doing this helps align the budget with amortization schedules. JMARK recommends having a five-year rolling budget for all IT components. This should include all hardware assets, warranty management, software renewal and subscription fees, software upgrades and maintenance fees, labor costs (internal or outsourced), data center and hosting costs, communications costs (Internet), power management, etc. There should be nothing left out that is known or anticipated.

3 Increase your IT budget by 3% to 5% per year for the next few years.

This is needed because of the increasing sophistication of IT and security management. Frankly, it is getting more challenging to manage IT; therefore, costs are increasing. However, they should not increase at a faster pace than the gross margins in the business.



4 Establish benchmarks against your industry.

Every industry has best practices for IT spending. The typical range is from 2.5% to 7% of an organization's operating budget. This variance is based on the sophistication of the business, compliance requirements, and growth plans.

5 Include training plans.

Most organizations only utilize around 30% of their applications' capabilities. With robust training plans, you can bump that to 75% or more. This drives efficiency and profitability and often removes duplicative applications from the environment, reducing the complexity and costs of IT.

6 Develop business continuity and disaster recovery plans.

These should be in place and aligned with the expectations of your organization's board or ownership. Most businesses do not have clarity between IT and the owners of the business in this regard. Consequently, senior leaders may believe that recovery time is less than one day, when in reality, it may be closer to 14 days. Such gaps create massive pain, frustration, and even business failure.

7 Simplify your environment.

Simplification is the ultimate sophistication. A common tendency is to over-engineer and over-buy, making a network more complicated than it needs to be. Right-sizing the environment can decrease cash requirements, remove overspending, and reduce the complexity of an environment, all of which lowers management costs over time.



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Invest in research, development, and market management.

Most businesses need a dedicated group of people who are paid in part or in full—depending on the size of the company and industry—to know the market and focus on researching and developing the market. The industry insights that come from this team will directly impact business growth. Every day, new applications, capabilities, delivery methods, and more are developed by forward-thinking companies. Taking advantage of these solutions can often make the difference between keeping up with the competition, leaving the competition behind, or being wiped out by a disruptive competitor.

These are just a few ways that IT can increase the growth of your business. We'd love to discuss them in greater detail with you and develop a plan that meets your specific goals. To get started, [click here and set an appointment with one of our experts.](#)

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