

W4 Discussion Comments

W4D2 Centralize or Decentralize

Many of you picked centralization. Your reasons for picking centralization were valid. On most either/or questions like this, the answer depends on the type of organization, the industries in which the organization does business, the size of the organization(s), and the culture of the company.

There are advantages of centralizing software management in order to keep track of licenses and to get the desirable level of standardization. I say desirable because it does not make sense to standardize on Microsoft Windows and then not allow an exception for the Marketing Department where ads might be best produced with Apple Software or the Research Department where specialized computers might be needed to drive research equipment. Specialized computers might also be needed on the factory floor and these could vary between factories based on the manufacturing processes required.

If centralized IT creates standards and procedures that are "iron clad" and slow, Shadow IT may develop. That's where departments make contracts with cloud providers such as Amazon, IBM, or Microsoft to run the software that they believe they need to run their business. This could go on for a number of years before the top level management of the company and the IT department notice it.

Many of you commented that it is important for IT to get input from all stakeholders including people that need to use the software and systems that are selected centrally. An example was given where IT selected a package that did not fit the business and after a significant effort, the investment had to be abandoned.

If IT is centralized, it is important to have a good governance system. Dominican IT collects input through a number of sources including an Academic IT Committee and an Administrative IT Committee. Lack of good governance can lead to Shadow IT and frustration.

Other Comments

Disaster Recovery and Cyber Security should be centralized. (Groups 1 and 3)

Allocate funds at the top level and then give each department/region control over IT (Group 1).

Systems must talk to each other so departments cannot have complete freedom (Group 3).

IT Specialists can be attached to departments (Group 2). This comment an indicator of the many ways a business can combine centralized a decentralized IT. For examples:

1. Many IT personnel could reside in various places in the organization. A decision would :to be made on how (who) to hire and review the performance of these people
2. IT could be decentralized by location or by organization but certain standards and processes could be centrally controlled (security, disaster recovery, and decisions related to enterprise level software and technology)