



Whitepaper

## **IT at a crossroads:**

Between shaping the future and managing shortcomings.

**CS**  
Campana  
Schott

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The current economic situation requires flexibility and innovative strength in order for a business to remain competitive. Especially in times of crisis, businesses take a closer look at their processes to see where efficiency gains can be made.



## 1. Introduction.

Adopting new and digital technologies is one way companies can do more than just maintain the status quo, even enhancing their competitiveness. This has brought the field of IT to a crossroads. Should it act as an enabler for future-proof business models, anticipating the path forward into the future? Or should it instead be guided by the specific departments and be only a helper, without any responsibility for shaping things itself?

An IT organization can play a crucial role in this situation if it seizes the opportunity to shape its future and that of the company. IT can become the driver and shaper of digitalization, both in its own self-perception and as seen by other departments. If the IT organization does not do so, it cements its current role, but that is not all. The company will also lack important impetus. Increasingly digital business models, combined with total customer centricity and shorter and shorter response times, are crucial action fields today. Ideally, the IT organization and

specific departments will work together on this point, as the combination of technical know-how from IT and expertise in other fields from other departments forms the basis for future success in the push to digitalize. Transforming companies and business models is difficult to impossible unless there is cooperation. It is up to IT departments themselves to seize the opportunity and shape the future of companies – although the day-to-day business often seems to be an obstacle.

This white paper discusses where IT departments stand today, the challenges they are tackling, and the possible solutions when it comes to positioning themselves as shapers of innovative processes. With these topics in mind, Campana & Schott commissioned tech-consult GmbH to conduct a survey of 200 IT professionals of companies in Germany of different sizes and from different industries.





## 2. Challenges.

A [study by the German Economic Institute \(IW\)](#) found a lack of more than 13,000 IT specialists in Germany between July 2021 and July 2022. Ultimately, there were no candidates with the right qualifications anywhere in Germany for nine out of ten vacant positions. The war for talent is escalating. Longer working hours are back on the table for the first time in decades. In the Germany-wide [Association of German Chambers of Commerce and Industry \(DIHK\) Economic Survey](#) for early 2022, 84% of German industrial businesses reported moderate to significant delivery difficulties. Some 60% of companies complain of additional disruptions in the supply chain and logistics as a result of the war in Ukraine. It isn't just shortages of skilled workers and supply chain issues, though: [Inflation](#) driven by the energy crisis is tearing a larger and larger hole in companies' budgets, especially amid the high costs of fighting the pandemic.

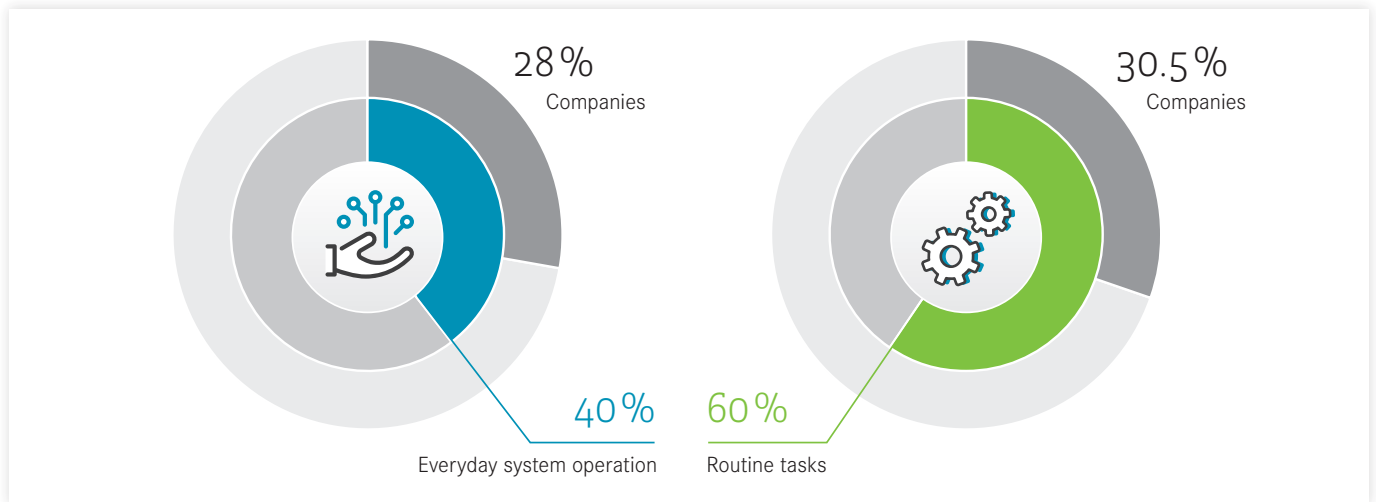
In addition to these external factors, IT organizations also face internal problems, often of a company's own making. Outdated processes used for system administration on premise and in the cloud, high security risks, and incompatible data and work-arounds are no longer acceptable. Hackers poking around on company servers, loss of key business data, and ransomware that encrypts hard drives and makes it impossible to use IT: Many companies in Germany are still inadequately prepared for cyberattacks like these. Only a little over half (54%) have an emergency plan that sets out written procedures and ad-hoc measures to apply in the event of data theft, espionage, or sabotage, as a [study commissioned by the Bitkom digital association](#) found.

To make matters worse, the IT organization often goes unheard, as it devotes too much attention to the day-to-day business. Worse still, IT teams frequently lack standing and don't have a say when a company is crafting its strategy. It is a misconception to think that an existing system can simply be replaced with another one at the push of a button. And ultimately, many IT managers simply don't have enough of a network within their own company. As a result, they lack the know-how from the business side that they would need in order to think ahead constructively. All of these obstacles are directly connected with the lack of sufficient IT specialists, especially those with experience.

Digitalization projects are frequently initiated too late or implemented too slowly. Some companies do introduce digital platforms quickly, but then find they lack the right management or governance. In many cases, the business side is simply left out, so projects get bogged down by lack of adoption and acceptance of the new and digital solutions. All of these challenges call for intelligent responses.

However, these tense overall conditions are also a big opportunity for IT organizations. When, if not now, is the perfect time to utilize the process of transformation to be instrumental in driving and shaping the company's success and future? Half of the IT specialists surveyed already view themselves as having a trailblazing role. But whether or not they are driving digitalization, one thing is clear. IT organizations will have to shift their own working methods and automate more in order to carve out space for the bases of successful innovations. At the same time, IT managers need to forge ties with various other departments and find support within the company for their projects and ideas. This requires an open mindset, smart use of available resources, and optimized working methods.

### 3. Status quo at German companies: IT – innovator or manager?



The results of the survey of IT workers show that many companies have already charted the right course, with respondents saying that the business and IT sides are already working together to drive forward-looking IT projects at 43.5% of companies. But about half of companies are facing a crucial fork in the road. That's because at 44.5% of companies, the business and IT organizations have still not joined forces, with IT bearing most of the responsibility for getting projects like these rolling. This means the IT organization plays an active role, but it cannot tap into the full potential for the future. This is because the transformation is most effective if the IT and business sides act in tandem.

#### Don't commit more than 70% of resources to routine tasks

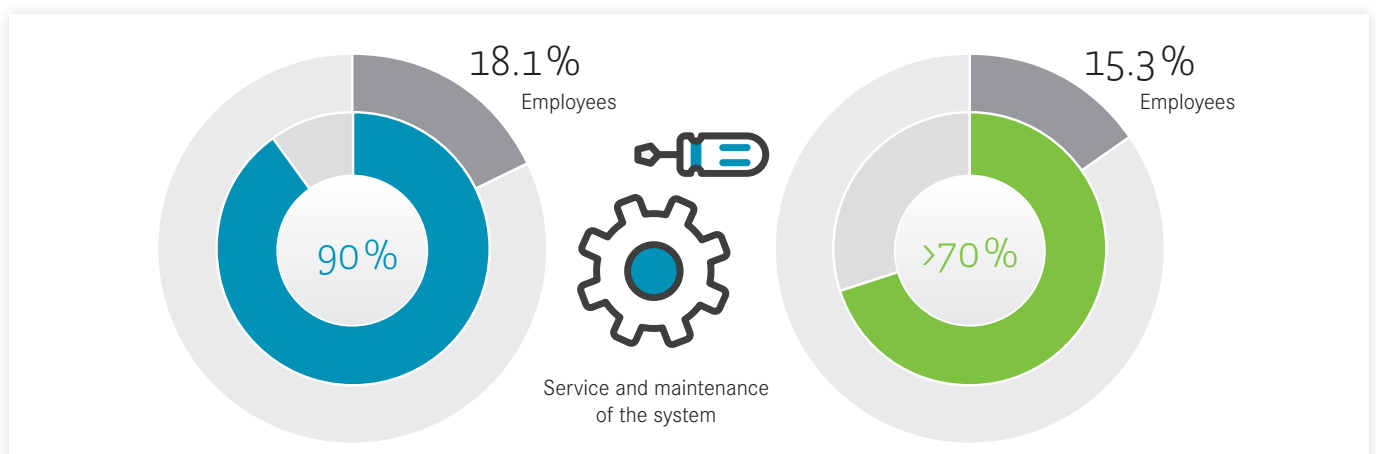
There are two sides to the work done by IT departments, with day-to-day system operation on the one hand and development of new ideas and digital innovations for the company on the other. Supporting standard IT services and systems includes end-to-end provision of IT services and infrastructure within the company and, increasingly, also externally, for customers and partners. The topic of support also encompasses all processes and activities surrounding the help desk, support for software issues, and troubleshooting. Planning for system optimization,

exploring new solutions, and developing innovations are all part of the forward-looking part.

In day-to-day practice at German companies, some one-quarter of businesses dedicate an average of 40% of their working hours to everyday system operation. Somewhat less than one-third spend about 60% of their time on routine tasks. These companies still have sufficient time to think about innovation, initiate pilot projects, and launch new technologies.

A rule of thumb is that if a company needs more than 70% of its time for system administration and to keep operations up and running, forward-looking digitalization and creating innovation projects come up short. In other words, about a quarter of companies are structurally unable to forge ahead with projects aimed at the future, for the simple reason that they are too heavily burdened by day-to-day operations.

Some alarming figures emerge. At large companies, about one-fifth (18.1%) of people complain that over 90% of their working hours are devoted to servicing and maintaining systems, and 15.3% say they are over the 70% mark themselves. At large companies in particular, IT organizations have their hands full dealing with many different systems, applications, dense and interconnected infrastructure, and so on. That is true of only 6.3% of smaller businesses.







## Strategic action fields: sustainability and crisis resilience

About three-quarters of respondents are definitely aware that IT projects are a factor when it comes to success in overarching strategic action fields at a company. This is apparent from the sheer number of companies at which the topics of energy and resource conservation, sustainability and climate action, flexibility and crisis resilience, and the lack of skilled workers and automation are important when it comes to development of IT projects. Conserving energy and resources, for example, is very important or somewhat important to nearly three-quarters of survey respondents, whether their business is medium-sized or large. Flexibility and resilience are viewed as slightly more important (78%). Especially in highly dynamic market situations, IT projects are an important part of being able to respond quickly.

The same is true of the topic of shortages of skilled workers, which is becoming ever more important in IT and across other departments: 74% of respondents say that this is very important or somewhat important in the development of IT projects. Experience from customer projects has shown that companies definitely have these subjects on their radar. But they do have a hard time selecting projects with an eye to boosting resilience or sustainability or taking steps to counter a lack of resources. In most cases, that is because they do not succeed in setting qualitative and hard, quantitative KPIs in relation to each other, so there is a simple lack of metrics to use for guidance.

This means IT organizations need to consider how they can change the role they are perceived as performing so they can get more breathing room and individual responsibility and become drivers of digitalization. To be specific, it's about nothing less important than stability for the future.

## Effective, but inefficient

The first step in identifying topics to pursue is asking what the IT organization's position is in the first place – and how well its processes are working. Seventy percent of respondents are completely or at least somewhat satisfied with their processes. When it comes to the transparency of IT processes and the ability to understand them, 70% of the IT employees asked are also completely or somewhat satisfied. Of those asked, 71.5% deal at least regularly with achievement of targets and possible ways to improve within their organization.

### IT processes

Completely or at least somewhat satisfied

70%



Transparency and the ability to understand them

70%

Achievement of targets and possible ways for improvement

71.5%

Management of day-to-day business and future projects

36.5%

So, IT workers say they are doing well – but that conflicts with what they say about capacity utilization. Only 36.5% of companies believe they are in a position to cope with the day-to-day business and future projects alike. Nearly two-thirds are unable to do so. That indicates that while IT processes do work, they take up too much of the available resources. These processes are effective, but inefficient. On this point, companies are well advised to optimize their efficiency through automation, managed services, and leaner processes to gain time for innovation.

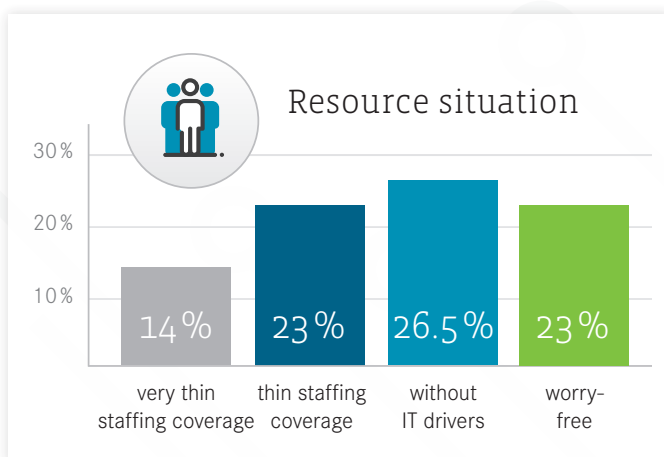
To truly be able to assess how well a company's own processes are working and what might be improved in the case of projects, however, it is also necessary to consider an external viewpoint and elicit feedback from customers. At the same time, this helps foster closer dialogue with the business side. Only about half of those responding analyze their ticket system systematically. Medium-sized companies emphasize well-functioning ticketing at a higher rate (57%) than large companies, which analyze their tickets continuously in only 45.8% of cases. Forty-eight percent of companies perform customer surveys, with no major spread between medium-sized and large companies. There is room for improvement here, since this means that only about half of all IT departments are learning as they go, with the aim of tapping into further potential. This is very striking when it comes to the topic of project reviews, with just 37% of respondents utilizing this option to analyze what kinds of improvements their projects have in fact brought for customers.



### Resource situation: only a quarter are worryfree

IT organizations have to do a lot. In addition to keeping processes up and running and ensuring usability, security, and compliance, they are also tasked with implementing projects, dealing with innovation, and evaluating new technologies. All that takes resources. And resources are in short supply across a broad cross-section – which is already apparent from how much capacity is available for projects aimed at the future in the first place.

The situation here is troubling indeed, with one-third of companies reporting very thin (14%) to thin (23%) staffing coverage. Another 26.5% of companies have to forge ahead with their future projects without any IT drivers at all. Less than a quarter (23%) are worry-free and believe they are excellently positioned.

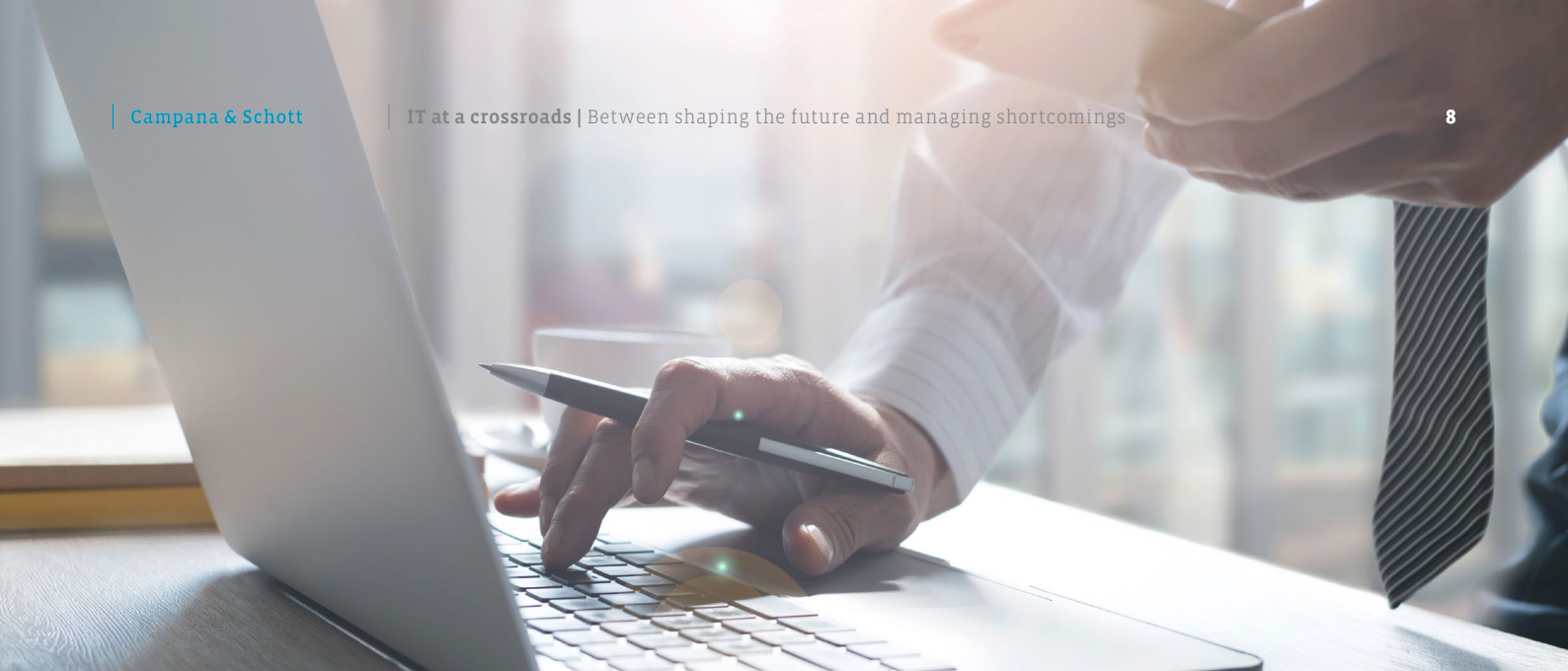


### Companies overestimate their commitment to security

Alongside innovation, security is another crucial topic at businesses. IT security has garnered increasing attention in the past two years, as the number and severity of ransomware attacks have increased. The survey points to a dangerously distorted picture, in which companies may be at even greater risk than assumed. Nearly half of respondents believe that their IT is secure, and 12% that they are up to date with theirs. Thirty-six percent believe they are mainly up to date. These figures stand in striking contrast to the ransomware reports appearing in the media. Nationwide digital association BITKOM says that nine out of ten companies (88%) faced attacks in 2020/2021, up from three-quarters (75%) in 2018/2019.

The survey showed how companies are positioned and where their priorities lie. Many companies want to do more in order to make progress with digitalization. The experts at Campana & Schott have implemented many projects in the past. The text below draws on that experience to highlight potential solutions that have proven their value in practice.





#### 4. How IT can team up with the business side to drive digitalization.

First off, it takes capacity to advance the business. Still, the lack of resources in IT is real, as the companies' responses showed. A mere one-fifth of companies do not complain of any staffing shortages.

To improve their resource situation, companies can take action at multiple levels. For one thing, IT departments can reduce the time and effort they are expending through automation and pro-

cess improvements. Second, outsourcing services or booking managed services is another good source of leverage. This also shifts some of the burden off a company's in-house IT team. The third way to free up resources in IT is to initiate fundamental change within the company and focus on what is known as citizen development. In this approach, the IT team trains and authorizes employees of other specific departments to use the right tools to develop solutions for their own needs.



##### Strategic measures: outsourcing and citizen development

On the strategic level, companies should focus sharply on the things that are truly critical to the business and free up resources by automating their IT processes and outsourcing commodities. Introducing advanced, comprehensive security solutions and concepts such as safe solutions for highly sensitive data, AI analysis methods, and zero-trust concepts with support from external partners is a top priority. All services that do not actively contribute to value creation processes should be performed by a professional IT service provider, since inhouse IT departments do not outperform the market there. Reducing operational time, effort, and expense creates more room for projects aimed at the future.

Establishing citizen development is another good idea at the strategic level. Through low-code and no-code platforms, the IT team can give specialized departments the opportunity to develop their own applications. Especially when it comes to specialized applications and processes, users themselves generally know exactly what they need in day-to-day practice. This kind of citizen development reduces the IT team's workload, but that isn't all. It also improves the employee experience and creates space for innovation arising directly from the specialized units. However, the IT organization

needs to define specific guidelines to ensure compliance and security.

Still, technology is just one side of the coin. The other involves a complete mindset shift. It is up to the IT organization to hand over control to the other departments within a certain defined scope of governance, learn to trust in their colleagues (known as "light-touch governance"), and adopt the role of partner and enabler that advises the other departments on implementing solutions and acts as an intermediary in helping them craft those solutions.

The rise of citizen development will work only if low-code/no-code platforms are easy to understand and use. These days, many IT users are already at a loss for how to report a problem. Successfully integrating the IT and business sides will require IT systems that are much more people-friendly. Going forward, the specific departments should be able to implement internal procedures themselves, or with only a modicum of support from IT. That will help companies operate faster on the market. After all, the time that passes between recognizing a new business requirement and providing the first Minimum Viable Product (MVP) has shrunk by a factor of ten.





### Tactical measures: embrace business and automate with technology platforms

On the tactical level, encouraging different units to work hand in hand for everyone's success works if a company puts together mixed project teams with members from both the business and IT sides. When this happens, the IT organization can enhance digital literacy within the business based on concrete work product while also gaining an understanding of which data are needed to steer the business. Ideally, this gives rise to a "spiraling up" effect on teams, unlocking the possibility of innovative solutions. The IT organization gains greater insight into business processes and understands how the company earns money. On the other side, the business team gets to know the possibilities and potential offered by IT and digitalization in general so that they can do business better and faster.

Another tactical measure consists of introducing highly automated, scalable technical platforms like Azure,

SelfService, and/or Autopilot, thereby automatically applying rules for secure operation. The rules of governance are enforced dynamically in these systems, and service requests are served swiftly and without manual intervention. Standardized platforms and professional IT service management can reduce the operational time and effort involved to less than 30%.



### Operational measures: IT integration platforms (ITSSM)

At the operational level, IT integration platforms accessible to employees and partners can be created (ITSSM) to handle the fundamental IT processes efficiently and in an easily understood manner.



### The best of the best: employee qualification as basis for successful digitalization

The actions described above are a good basis that IT departments can use to modernize and free up resources. The companies that have already succeeded in adopting digital technologies have built modular infrastructures that enable analysis of data. Even with the mainframe architectures that are often still in place, many companies have managed to shrink their highly individualized SAP landscapes down to a core that is capable of updating in the long run when making

the shift to SAP S/4HANA. These companies will be able to tap into the new pools of data that are springing up all around us and place them in relation to each other. They have taken their business processes as the basis for identifying digitalization requirements and implementing a data strategy and architecture, which they have then used to design the application and platform structure and enable data to flow across and between applications.



Of course, it is always a good idea to meet employees where they are and bring them along, training them on how to use digital services even outside of projects. Here, we can think of human interface learning management. Ultimately, the goal is to harness change management and training activities to train the bottom quintile and create understanding of digital possibilities to the point that the adoption rate increases and the digital solutions and tools on offer are actually accepted.

Another way to help ease workloads is to foster awareness of security among employees. While most security awareness campaigns available today stop at preventing employees from falling for phishing, future co-creation of IT solutions will require focusing on a more fundamental grasp of security goals (availability, integrity, confidentiality). After all, every digital offering the company provides increases the risk just that little bit more.

## 5. Conclusion.

IT departments already have a full plate with everyday operations, and that's even more true when it comes to driving the digital transformation of their companies and getting them ready for the future. Thus far, fewer than half have set out to approach and advance forward-looking IT projects through cooperation with the business side. The rest are now standing at a crossroads. They have to decide whether to shape their own future and that of the company, enable specific departments to engage in citizen development, use automation and extensive cloud solutions to decrease their own baseline workload while increasing flexibility – or stick to the role they have held thus far.

There are a number of strategic, tactical, and operational measures that can be taken to counter high workloads in everyday operations and lack of resources. For example, IT departments can reduce their base workload by working with experienced partners and advanced cloud solutions and by giving other departments the skills they need to pitch in. This gives IT teams the space they need to forge ahead with digitalization. Experts can provide valuable support every step of the way, helping companies to make optimum use of their own resources.

### Publishing details

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