

Get results with lower, more focused IT spend in 2019

Spend on IT continues to grow globally as companies increasingly seek to leverage technology to streamline processes, improve productivity and increase competitiveness. The need for greater cost control is, however, a reality for South African businesses.



Charl Ueckermann, CEO at AVeS Cyber Security, says that by apportioning IT spend strategically, and thinking broader than technology, local companies can get better results within budget.

“Financial transparency and proper planning within a focused corporate governance framework are integral to putting together an IT budget and spending on technology wisely. To achieve results and stay within budget, we’ve seen that companies who work with trusted sources and use fit-for-purpose solutions have far fewer failed IT initiatives than their industry counterparts. Failing IT initiatives is one of the leading causes of rising IT costs and projects with low business value,” he says.

He lists Governance as a priority investment area when planning IT budgets for 2019.

“Working within a well-planned corporate governance framework creates a game plan that is essentially the core recipe for success in IT departments. It ensures a more predictable outcome in terms of how people, technology and processes work

together within an organisation. It facilitates consistency and helps to prevent unwanted or unexpected outcomes.”

Planning IT spend within a governance framework also helps to ensure that IT infrastructure is ultimately aligned with business objectives. This, stresses Ueckermann, is paramount for allocating spending appropriately and preventing unnecessary expenditure on solutions that don't deliver business value nor adequate return on investment.

“If you do not have a framework for IT, you will waste a lot of money because you are going to focus on the wrong things. It's about focusing on the right areas first and then executing the right tasks as efficiently as possible.

“Unpack your organisation's business objectives and determine which resources – people, process and technology – could help you achieve them sustainably. You may need to rethink how you, the IT department, deliver services to your organisation. What follows, are questions around the available resources, such as technologies, that would change the way that you deliver services or radically change the kind of services you offer customers.

“If the goal is to empower employees to work remotely or process sales on the go, you would want to direct IT investments on resources that would enable them to do so. A retailer's goal can be to take the customer experience to the next level. In such a case, for example, RFID tags can be implemented to allow a customer to walk into a shop and have everything linked to their credit card and payment profile so that they can pay seconds before leaving the shop. Technologies like these are not far-fetched, it's right here, but it takes creative thinking to implement them right and achieve the business objectives. Aim for practical systems that are flexible enough to adapt to changes and an infrastructure that supports these systems practically.”

Along with Governance, Ueckermann recommends that companies look at prioritising spending on IT security – and rightly so. According to PwC's Global Economic Crime and Fraud Survey for 2018, South Africa is the second most targeted country in the world when it comes to cyber-attacks, and it costs companies: financially, their reputations, and the reliability of their business continuity.

“We all know that prevention is better than cure. But, when we meet business professionals, they often ask us how you can stay protected when the IT security landscape is changing so rapidly and becoming more sophisticated daily? For instance, three years ago, we knew little about cryptocurrency and today, crypto mining is becoming a major problem for both businesses and individuals. This is where cybercriminals load software/code on unprotected IT infrastructures and hi-jacks the owner's internet, electricity and computer resources to mine cryptocurrencies.

“IT security is often considered a grudge purchase because its true value only really becomes apparent when there is a breach. The costs of a breach can be extremely high when remedial actions need to be taken, such as being offline to customers while your backup databases are being retrieved, doing reputational damage control, and getting systems up and running again – amongst other things. Companies also face considerable fines for breaches of private information. By investing in IT security, you save on these future costs.

“Once again, it's about spending wisely to mitigate specific threats facing the organisation. Organisations differ in the risks they face and the tolerance they have for certain risks. Addressing risks that don't affect your organisation is a waste.”

AVeS Cyber Security recently introduced their Risk Appetite Index to help organisations understand where to focus their efforts so that IT budgets are allocated to the correct areas.

“Our Risk Appetite Index looks specifically at an organisation's industry and the associated risks within that industry. We can see in our research which industries are more attacked than others. We formulate a risk assessment score to establish the overall maturity level within an organisation as well as the organisation's current versus desired security posture. Based on these and other factors, including the company's appetite for risk, we can identify which business areas need which resources to succeed. This helps companies guide their investment decisions and ensure that costs are controlled.”

Ueckermann says that companies can get higher returns on their investments from IT projects by ensuring that employees

are trained and able to leverage the technologies to their fullest.

“There is little point in having all the bells and whistles enabled in a solution, but nobody knows how to use it properly. If you want more value out of your IT projects and achieve greater productivity within your teams, put emphasis on employee education and training,” he says.

Ueckermann suggests that the cloud can also be an area of focus for IT investment in 2019 for companies that want to manage costs better, as well as make IT resources more accessible and available to their people.

“The cloud, if implemented correctly, offers numerous opportunities to curb IT costs through a reduction in hardware expenses, a decrease in maintenance and labour costs, as well as a lower capital outlay and total cost of ownership. Companies can also reap higher levels of productivity from their workforce. This means employees spend less time getting more done.”

He concludes: “Smart planning, smart alignment of appropriate resources to achieve business goals, and using technologies smartly will help companies to get the most out of their IT budgets.”

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