

The pros and cons of Shadow IT —— in today's business world

Shadow IT sounds like a covert — quite possibly dark — force. And to some people it may well be. But the truth is both far simpler and more complex.

According to Cisco, Shadow IT is the use of IT-related hardware or software by a department or individual without the knowledge of the IT or security group within the organisation.

“Shadow IT is a term that originally came from people having little apps they brought into the business themselves. Dropbox is the classic one, but there are plenty of them,” says Dr Joseph Sweeney, advisor at leading Australian IT research firm, **IBRS**.

“Today, shadow IT extends beyond consumer apps to the as-a-service delivery of enterprise business capability, such as Human Capital Management.”

Today, Shadow IT enables the automation and transformation of business functions without the IT department being involved. This can ultimately benefit that department by providing specific functionality that empowers digital transformation initiatives by allowing them to work better, faster and more effectively. But it isn't always seen or accepted that way.

Sweeney says IBRS has heavily researched the resistance to Shadow IT, most recently in this study on the **State of Enterprise Software in Australia & New Zealand**. They uncovered IT professionals as the core group resisting this shift, and it's because they felt threatened.



It's easy to ——— understand why.

"If you are a traditional IT specialist and your role is significantly changed or some of your responsibilities are decentralised as a result of a changing business model or dynamic, that's a danger to you. Your skills no longer align with what a modern organisation wants from an IT professional," Sweeney says.

"We need to fix that. Those organisations that are doing a good job of transformation have invested heavily in the idea of constant learning, and retraining of staff, especially in IT. The learning culture and growth mindset is hugely important."

The ——— down side

While Shadow IT is empowering many organisations to drive rapid digital transformation, Sweeney says there are inherent dangers in not involving the IT department in purchasing decisions.

"The biggest trade-off they end up making is around integration. Business units may get a solution that works for their specific departmental needs, but does it sit comfortably in a fully integrated platform? Quite possibly not.

"Piecemeal systems are not something most modern businesses should aspire to. Many experts consider integration as the technological key to a successful business future. So the conversation needs to be had at a higher level around long-term value versus short-term gain when procuring applications 'on the side', without enterprise IT involvement."

You can trade off a holistic company-wide view for a practical, narrow quick win.

While that may enable some immediate improvements, it could also end up impeding the organisation's long-term digital transformation journey.

The verdict?

The concept behind Shadow IT is simple enough: Business managers want to enable their teams to transform the way they work, by removing manual, time-consuming and ineffective work processes. The gateway is easy-to-procure apps that enable them to quickly streamline ways of working to boost productivity and performance. This is different to what happened in the past when IT was the key decision maker in selecting the software a business would use.

Shadow IT offers obvious benefits to enterprises willing to tackle the challenges that come with it. There is a lot of human emotion about ownership — who owns the job? Who owns the tasks? Who owns the systems? What does this mean for my job?— and there is a need to ensure IT teams are not only comfortable with the use of Shadow IT, but embrace the growth mindset and learning opportunities that should be instituted alongside it.

When that mindset empowers IT to evolve their skillset and become strategic advisors for their organisation - and business managers work alongside them to procure new 'as-a-service' software - there is no doubt that there is a very strong case for Shadow IT.

Find out more

Find out more about the pros and cons of Shadow IT in the [2019 State of Enterprise Software Report](#). Download the [full report](#) or watch this [webinar](#) for an in-depth analysis from IBRS researcher, Dr Joe Sweeney.