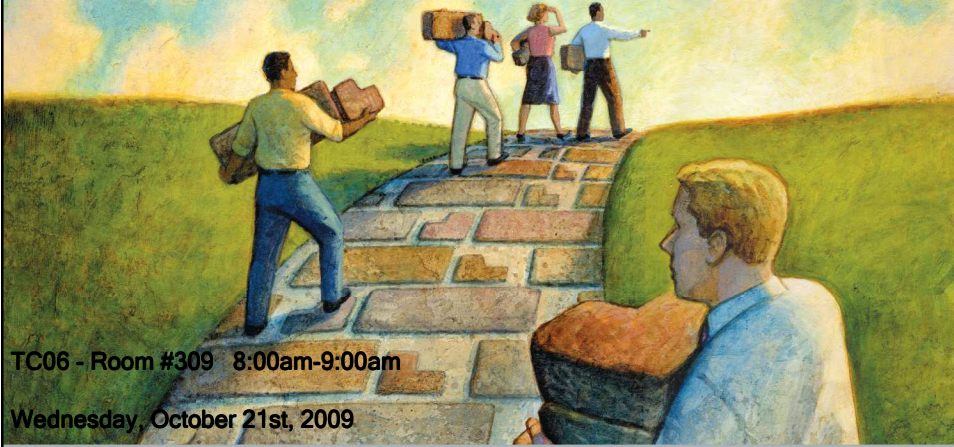


**Centralized vs. De-Centralized IT  
Welcome**



TC06 - Room #309 8:00am-9:00am

Wednesday, October 21st, 2009



## Best Practices for Today's Times



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Best Practices for Today's Times

'09 IFDA Distribution Solutions Conference

# Centralized vs. De-Centralized IT

## Agenda

- Audience Poll
- Background
- Story Time
- Defining Centralized & De-Centralized
- Key Factors – Align With Business Decision Making/Budgeting
- Key Factors – Infrastructure
- Key Factors – IT Service/Support
- Strengths of Each Governance Method
- Considerations in Choosing an IT Governance Model
- Trends
- Foodservice Processes
- Q/A



# Centralized vs. De-Centralized IT











## Audience Poll

- Who
- What size
- Centralized vs. De-Centralized
- Expectations of this session

# Centralized vs. De-Centralized IT

## Background

- In preparation, where do you get information ?
- Consultants ? Google ? Publications ?
- Peer Networking - 10 contributing companies
- Nearly 200 combined years of IT management
- Ranging from 20M to 18B – Private, Public, Fortune 500, etc.
- Current Trends on Centralized vs. De-centralized.

-  Autoliv - <http://www.autoliv.com>
-  Beneficial Financial Group - <http://www.beneficialfinancialgroup.com>
-  C.R. England - <http://www.crengland.com>
-  Easton Technical Products - <http://www.eastonarchery.com>
-  Flying J - <http://www.flyingj.com>
-  Headwaters - <http://www.headwaters.com>
-  Interior Solutions - <http://www.interiorsolutions.net>
-  Nicholas & Company, Inc. - <http://www.nicholasandco.com>
-  Orbit Irrigation - <http://www.orbitonline.com>
-  WCF Workers Compensation Fund - <http://www.wcfgroup.com>

# Centralized vs. De-Centralized IT

## Story Time – The Barometer

College exam given to four groups - professor grouped the students by Major

1. Meteorologists – utilized the barometer for atmospheric pressure at top and bottom
2. Physics – utilized the barometer as an object to throw off the building and measure w/stopwatch
3. Mathematics – utilized the barometer's cast shadow, used proportional mathematics, they also walked the stair case
4. Business – utilized the barometer as a bartering instrument with the building's superintendant, in exchange for the answer

All four groups arrived at the same answer !

From an IT perspective – shouldn't you ask "why" are we using a barometer ?  
Give you the "why", not the "how"

Author Harwell Thrasher - "Boiling the IT Frog" - <http://www.makingitclear.com/>



# Centralized vs. De-Centralized IT

Definitions – too narrow and inaccurate

## Centralized

[http://en.wikipedia.org/wiki/Centralized\\_computing](http://en.wikipedia.org/wiki/Centralized_computing)

- Centralized computing is computing done at a central location
- It offers greater [security](#) over [decentralized systems](#)
- Should the central computer [crash](#), the entire system will "go down" (i.e. will be unavailable).

## De-Centralized

[http://en.wikipedia.org/wiki/Decentralized\\_computing](http://en.wikipedia.org/wiki/Decentralized_computing)

- Decentralized computing is a trend in modern day business environments.
- This is the opposite of [centralized computing](#), which was prevalent during the early days of computers.
- A decentralized computer system has many benefits over a conventional centralized
- This results in most desktop computers remaining [idle](#) (in relation to their full potential).
- A decentralized system can utilize the potential of these systems to maximize efficiency.
- However, it is debatable whether these networks increase overall effectiveness.
- All computers have to be updated individually with new software, unlike a centralized computer system.
- These systems are capable of running independently of each other.

## Conclusion

- The [debate](#) over centralized computing versus decentralized computing will continue to be hotly debated, with advocates on either side. It is unlikely that either use will become standard or predominant.

# Centralized vs. De-Centralized IT

## Key Factors – #1 Alignment with Business Decisions

Key Factors – #2 Infrastructure

Key Factors – #3 IT Service / Support

- How are business decisions made ?
- Do departments/divisions have autonomy ?
- Are these decisions emotional or logical ?
- Is it black & white or "grey" ?
- Does the leadership participate in IT decision making ?
- Role of IT – Strategic or Tactical ?
- Understanding (fully & honestly) organizational governance is they key !
- IT governance must mirror the organization
- Does the "budget" support your governance models ?



# Centralized vs. De-Centralized IT

Key Factors – #1 Alignment with Business Decisions

## Key Factors – #2 Infrastructure

Key Factors – #3 IT Service / Support

- Data Center - Space, Power & Cooling – be consistent
- Application Service Level agreements to the business
- HA/DR/BC – High availability, Disaster Recovery, Business Continuity
- Hardware (servers, storage, wifi, etc.)



# Centralized vs. De-Centralized IT

Key Factors – #1 Alignment with Business Decisions

Key Factors – #2 Infrastructure

**Key Factors – #3 IT Service / Support**

- Help desk Outsourcing
- Software Development
- Culture & meeting expectations
- Vendor negotiations & contracts



# Centralized vs. De-Centralized IT

Strengths of each Governance Method

Centralized:

- Control
- Standards
- High Availability

De-Centralized:

- Disaster Recovery
- Agility
- IT Assignments/Resources by division
- Acquisition(s)



# Centralized vs. De-Centralized IT

## Considerations in Choosing an IT Governance Model

- Subsidiaries, Branches, operating companies
- Strategic vs. Tactical
- Development, Support/Service
- Company Size / Revenue
- IT Size/Capacity/Capabilities
- Culture
- People, Workforce, Team members
- Risk
- Connectivity/Network
- Geography & footprint
- Utilization of resources (CPU, Storage, etc.)
- Vendor Software design, offerings, or capabilities



# Centralized vs. De-Centralized IT

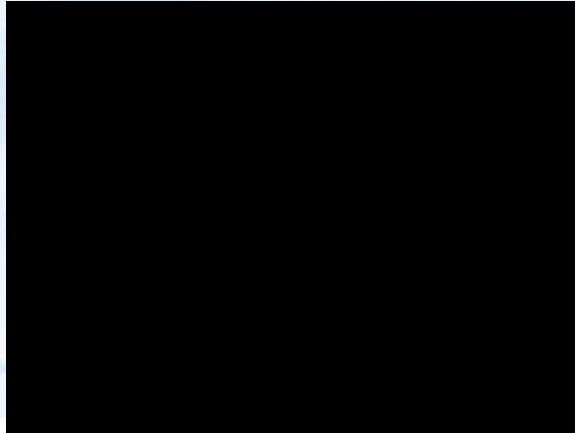
## Trends

- Team members & Mobile Users – “Work is something you do, not a place you go”
- Desktop Management Solutions & Terminal services
- HA/DR/BC – High availability, Disaster Recovery, Business Continuity
- Communications – Broadband, T1's, DS3's, Fiber, Carrier Networks, Convergence
- Software Offerings
- Virtualization Technologies
- Google / Amazon / Salesforce.com
- Cloud Computing

# Centralized vs. De-Centralized IT

Foodservice Processes – Are these “centralized or de-centralized” & IT's role

- EDI – Electronic Data Interchange
- EFT – Electronic Funds Transfer
- Report generation/distribution
- Pictures/Images
- Pick Stickers
- Invoices
- Scanning/Imaging



# Centralized vs. De-Centralized IT

Question & Answer ?





# Centralized vs. De-Centralized IT

Thank You

Have a GREAT 2009 Distribution Solutions Conference.

Turn in Survey Forms – IFDA & Joe Wood values your FEEDBACK !

