**IT Think Paper #5**

**Strategy, Decentralization and Technology**

Edward G. Happ, Global CIO

One of the axioms of international business is to think globally, but act locally. Workers understand their own communities and cultures better than visitors, and that includes headquarters. Our 2020 strategy moves strongly in this local direction by its focus on serving the national societies. And the trend to decentralize the management and operations of our organization strongly continues.

The question I would like to pose and invite you to think through with me is: *should technology be centralized or decentralized?* Here’s my hypothesis to debate: *As organizations decentralize operational decision-making the need for centralized technology standards and data increase.*

Of course, this immediately begs the question: what technology are we talking about? We can talk about different types of technology devices, like our cell phones; the information that we access, like databases or web pages; the software applications that we use, like browsers and finance systems; the infrastructure hardware in the back office, like servers and routers; and the support services that help us learn and use technology. All of these make up the technology tools that we use each day. Some of it is visible and some of it is invisible, but each has an important role to play, and it all must work in harmony for us to get the information we need.

The challenge is which parts of technology are best done centrally and which are done best locally. Tied closely to this challenge are what standards do we require to do more locally with the confidence that we are all moving in a common direction?

Consider the “nightmare scenario”: that we all make our own technology decisions and move in different directions over the next five years. The result would be a divergence of our data and tools that make it impossible to share information, and would proliferate redundant projects with redundant expenses and time. Too much local decision-making about technology is a *cost* we cannot afford.

Imagine if we all made our own decisions about how each appliance in our homes were powered. We would need a different power supply for each. The waste in this approach, and the extra effort required to support each method are obvious. Our homes have one power system, with electrical outlets in each room into which each appliance is plugged and works without giving it a second thought. This is the *liberating side* of having a shared standard. Things work together seamlessly when we need them to.

The scenario of each IFRC location doing their “own thing” with technology results in a nightmare of complexity from which we may not be able to recover. The costs of unifying an organization’s disparate technologies are very high. So is living with a growing divergence of technology. We need to need to ask: Are our technology choices narrowing? Are we standardizing on fewer platforms and fewer applications?

How can we ensure *convergence* rather than divergence of technology? As we move increasingly to a decentralized organization across the IFRC, how can we ensure that our use and development of technology converges to a common set of applications and data?

Customizing our choices for each location’s need may be a strong desire (and often the default,) but customizing is also a cost that grows over time and is rarely justified. As we grow, there is an opportunity to standardize technology and share applications across all offices and members. We must either choose to harmonize now or face the nightmare later. Redundant and diverging technology is ultimately a cost to donors and to beneficiaries. It also drives up the cost of interoperating in a unified world.

A similar set of issues apply to the data we keep and access. It is sometimes helpful to think of the questions we are trying to answer which are difficult if not impossible to answer today. For example, who are the likely candidates across the Federation for staffing the next emergency response program? Unless we have a shared database of personnel, this can be a very daunting question to answer. It doesn’t matter where the database physically resides, but it must be a common database and one that is shared for it to be useful answering this question.

So what type of technology is best done centrally and what is best done de-centrally? Here is a list to jump start our thinking. Approach this as a “Strawman” for which you are invited to kick out the stuffing and debate the answers.

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| Centralized Technology | Decentralized Technology |
| 1. Email and Directory 2. Shared HR information 3. Shared Finance information 4. Shared Learning Management System (LMS) 5. Legal information 6. Shared Donor/stakeholder information 7. Logistics catalog information 8. IT Standards | 1. Local support and training 2. Local databases 3. Desktop computing 4. Handheld computing 5. Internet connections |