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Shadow IT

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Shedding Light on Shadow IT



Microsoft Enterprise Architecture Round Table

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What is Shadow IT?

- *Shadow IT are those technology related activities that are not controlled and administered by the “official” centralized IT function*
- *The centralized IT function believes that these activities are part of the IT organizations charter, and would normally be under its control*



What Drives Shadow IT?

- *Shadow IT groups desire to operate independently of the centralized IT function for various reasons:*
 - *Competitive drivers*
 - *Pressure to innovate*
 - *Availability of cloud services*
 - *Desire for independence*
 - *Enhanced productivity*
 - *Specialized domain knowledge*
 - *Control over the development life-cycle*
 - *Budget autonomy.*



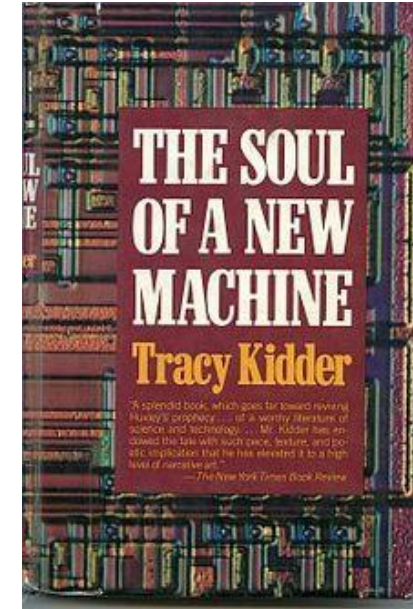
Types of Shadow IT – Rogue Efforts

- *Rogue efforts are those IT projects that are intentionally hidden from the centralized IT organization*
- *Rogue efforts may be sponsored or unsponsored*
- *Rogue efforts use few IT resources from the centralized IT function*



Types of Shadow IT – Skunk Works

- *Skunk works are often sponsored*
- *Frees engineers from ‘structured’ approach to foster innovation*
- *If successful can be folded back into the centralized IT function*



Types of Shadow IT – Black Ops

- *Un-sponsored efforts*
- *Usually smaller than skunk works projects*
- *Often driven by frustration with IT and backlogs*
- *May be of limited scope and use*
- *May go undetected for years*



Types of Shadow IT – Purpose Driven

- *Productivity needs are often the drivers of Purpose Driven efforts*
- *Often extensions to formal IT systems*
- *Frequently enabled by desktop technologies*
- *Often discovered when problems occur requiring IT intervention*
- *Cloud SaaS offerings encourage Purpose Driven efforts*



Pros and Cons of Shadow IT

Practice Driven Pros:

- *Better business alignment*
- *Unique value*
- *Natural agility*

Practice Driven Cons:

- *Infrastructure duplication*
- *Compliance Risk*



Pros and Cons of Shadow IT



Rogue Effort Pros:

- *Highly innovative, creative*
- *Dedicated teams focus intensely*
- *Natural agility*

Rogue Effort Cons:

- *Compliance & security Risk*
- *Lack of support*
- *Initial success may not scale*
- *May lack broad application*



Pros and Cons of Shadow IT



Purpose Driven Pros:

- *Often improve productivity*
- *Extend existing systems capabilities*
- *Can point to integration opportunities*
- *Don't initially impact IT budget*

Purpose Driven Cons:

- *May eventually require IT support*
- *Duplication of effort*
- *Compliance Risk*



Figure: 1 Intersection of Traditional and Shadow IT

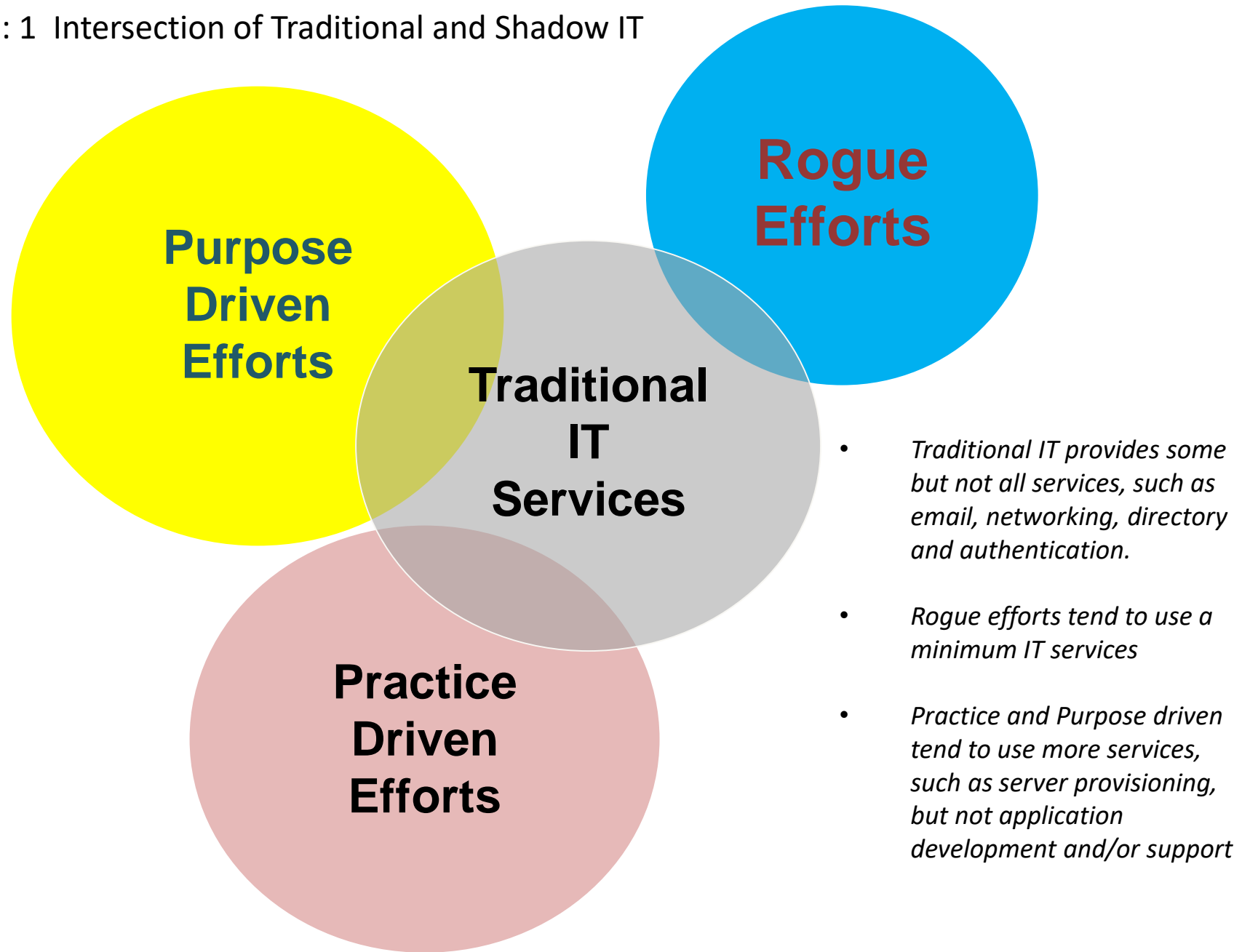


Figure: 2

Shadow IT Service Provider Model

Traditional IT	Purpose Driven	Practice Driven	Rogue Development
Requirements Analysis	Requirements Analysis	Requirements Analysis	Requirements Analysis
Software Development	Software Development	Software Development	Software Development
Architecture & Database Design	Architecture & Database Design	Architecture & Database Design	Architecture & Database Design
I&O Support (servers, hosting, upgrades)	I&O Support (servers, hosting, upgrades)	I&O Support (servers, hosting, upgrades)	I&O Support (servers, hosting, upgrades)
Security Compliance	Security Compliance	Security Compliance	Security Compliance
Quality Assurance	Quality Assurance	Quality Assurance	Quality Assurance
User Acceptance Testing (UAT)	User Acceptance Testing (UAT)	User Acceptance Testing (UAT)	User Acceptance Testing (UAT)

Service Providers:

- Non-IT Developers, Testers, Architects, Analysts, SMEs
- IT Developers, Testers, Architects, Analysts, DBAs
- Independent SaaS, PaaS, vendors, closets, etc.
- IT Infrastructure and Operations Analysts
- Independent Security Analysts, disregarded
- IT Security Analysts

Conclusions

- *Shadow IT efforts arise out of need, and point to a lack of IT Services where they are not redundant*
- *Shadow IT efforts can point to how the organization wants to use technology*
- *Shadow IT can extend functionality and provide value without impacting the IT budget*
- *Rogue efforts can jump-start innovation*
- *Duplication of infrastructure, support, policy compliance, security present challenges to the organization*

