

Sanity check: Five reasons to centralize your IT department

The centralization vs. decentralization argument regularly rears its head in most IT organizations. Some of them fall into a cyclical pattern while others are more like a pendulum that swings back and forth from one extreme to the other. In order to uncover the issues involved in this dichotomy, TechRepublic will provide a series of articles aimed at IT leaders. The first is this look at the top five arguments for centralization.

5. Avoid duplication of effort

One of the distinguishing features of decentralization is that there are various IT groups scattered throughout the organization, each tied to separate departments or business units. While this can allow for rapid deployment, rapid changes, and rapid troubleshooting, it often results in IT groups that do not communicate well with each other, do not share best practices, and do not share resources. Those factors can lead IT to centralize in order to avoid this major duplication of effort.

4. Improve security

Security is most effective when you can quickly account for all of your digital assets. In a centralized model, IT has much closer control over all of those assets and so has a much better shot at securing them. In a decentralized model, it's difficult to get a good picture of what assets you have and where there are located, and so security becomes far more challenging and less accurate.

3. Standardize operations

Centralization provides the opportunity to standardize IT operations across the company, establish best practices, and implement guidelines for IT governance. One of the most popular methods of doing this is with ITIL, but in order to do ITIL or almost any other standardization, you have to undertake some centralization as part of the process.

2. Allow for more specialization

When you centralize the professionals of the IT department, you give yourself the opportunity to hire or train highly-specialized IT workers, such as Oracle database engineers, information security specialists, and programmers in niche areas. Centralization makes this affordable because you can share these resources across multiple departments and business units.

1. Cut costs

Decreasing worker duplication and standardizing IT operations are a means to the end of cutting costs and running a more efficient IT department. Centralization is almost always done by companies that are looking to save money by reducing the IT budget. By contrast, decentralization is usually undertaken by companies that need to move faster and be more responsive to customers, even if it means spending more money on IT.

Final word

The number one point (cutting costs with centralization) brings us to the one big drawback of centralization: response times. Whenever you centralize, the response time of the IT department almost always increases. This is part of the natural balance you have to weigh. When you centralize resources, you create bottlenecks. It's an unavoidable trade-off in most cases, and these bottlenecks will sometimes cause IT services to be delivered more slowly than if they were decentralized. You have to be willing to accept that if you are going to centralize.