UCSD Extension Identifies Trends In Information Technology

Outlook for San Diego's IT Sector Improving in 2004

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On Feb. 20, 2004, UCSD (University of California, San Diego) Extension released the results of their survey and findings about information technology (IT) governance - the strategic integration of corporate vision and strategy into a company's IT operations - in San Diego at its IT Governance Conference.

Fifty-three respondents (representing 44 businesses in San Diego) participated in the IT governance survey. Of the respondents, 90 percent were IT managers or executives. Virtually none of this group used formal IT planning methodologies such as IT Service Management (ITSM), the Control Objectives for Information and Related Technology (COBIT) framework or the Software Engineering Institute's Capability Maturity Model (CMM) or Capability Maturity Model Integration (CMMI).

Only three individuals use the currently popular Balanced Scorecard (BSC) methodology and none use this technique for IT-specific planning. A third of the respondents indicate that management analysis is the technique of choice for developing strategic plans both at the corporate and IT levels. For IT departments, periodic initiative reviews are used by roughly a fourth of the respondents.

Among the participants, over half indicated that IT strategy is formulated by mid-level IT managers; 34 percent indicated that this function is handled by the CIO or CTO. Over 40 percent of IT budgets are approved directly by the CEO.

"This direct involvement by the senior executive may be partly due to the number of San Diego CEOs that have emerged from the technical ranks through startups," said Tracie Monk, director of UCSD Extension's department of computing and networking technologies. "On the whole, however, IT strategy does not appear to be strongly linked to the business tactics of San Diego executives."

Recent legislation such as the Sarbanes-Oxley Act and Federal Department of Agriculture (FDA) regulations are considered by participants to be very relevant to IT policies and practices. IT departments, however, are not making significant additional investments to support these new federal and state regulations. Looking down the road for 2004, survey respondents were relatively upbeat, with 73 percent indicating that their budgets will be higher than 2003 levels - 42 percent say that the growth will be 5 percent or greater than last year.

New jobs will remain scarce however, with data management identified as one of the only skill areas targeted for growth. Few respondents (9 percent) anticipate layoffs this year, however 26 percent anticipate outsourcing some business functions. Half of the outsourcing is expected to be offshore.

UCSD Extension's next IT governance seminar is planned for June 17 and 18. An IT service management course to be taught by MacKAY Management is planned for summer 2004 and new IT management courses are projected for fall 2004. For more information on these activities, contact infotech@ucsd.edu.

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