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IT Risk Management: A Business Issue of Strategic Importance

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IT risk management is a relatively recent service category and as such does not have a universally accepted definition. IDC contends it encompasses all service activities pertaining to the assessment of IT and operational risks, as well as the design, implementation and subsequent management of the solution put forward. The purpose of IT risk management is not only to identify weaknesses, but also to propose solutions centered around technology, people and processes with a view to reducing IT risks, ensuring the business is compliant with current regulations and enabling the infrastructure to perform at an optimum level.

Symantec recently posed the following questions on behalf of its IT risk management customers to Lionel Lamy, research director of IDC's IT Outsourcing and Infrastructure Management Services programme in Europe.

Q. — Why is IT risk management relevant to the business?

A. — Today, IT and business are intrinsically entwined. The explosion of devices that followed the networked computing model, coupled with the increasing number of access points is making management of IT more and more complex. This complexity does enable business growth, but at the cost of increased risks. The impact of inadequate security and risk management is no longer just a matter of direct financial loss through non-availability; it is also a matter of decreased performance and more importantly shattered business confidence and corporate image. Companies that are seen as lacking security are often deserted by potential clients and shareholders alike and suffer greatly from adverse press coverage.

IT risk management is directly correlated with the security and compliance of the enterprise. It also impacts greatly on the availability of the infrastructure as well as its performance. In other words, without IT, there is no business. More importantly, without a secure IT system, there is no business either.

Q — What are the benefits of IT risk management for the business?

A — The first benefit is the confidence it brings to customers, partners and shareholders. Being secure ensures the business is allowed to continue and thrive. Beyond confidence and image, the second important benefit revolves around core competencies and compliance. Through effective IT risk management, companies are working towards zero failure and are able to focus on their core business.

Cost reduction, through the avoidance of risk and security-induced losses, is also a key factor. IT risk management ensures the company is not only available to trade, but is also able to perform at an optimum level internally as well as externally. This has an impact on total cost of ownership, which in turn can provide competitive advantage.

Finally, IT risk management enables companies to decide for themselves the balance between availability, performance, compliance and IT security on the one hand and costs/service levels on the other. Businesses need to be risk aware, not risk averse. In that sense, IT risk management empowers the business.

Q — What are the challenges of IT risk management implementation?

A — There are four main types of challenge involved: awareness, holistic view, design dynamics, and continuity.

Awareness of IT risks and their potential consequences for the business is crucial in order to manage them. This has to be the first step. Often, companies are unwilling to face the facts when it comes to IT risks. In order to be successful, companies must commit to change and be honest in their self-assessment.

Having a holistic view of the entire IT infrastructure is crucial. IT risk management cannot be effective if it is provided in parts. This has to be a top-down approach, involving the entire IT and business infrastructure.

Design dynamics is the third challenge. This means providing a solution that involves technology (such as AV), processes and people (training and education) working towards the same goal.

Continuity is the final challenge. IT risk management is not an end in itself; it is a journey. So the solutions put forward need to be constantly questioned, assessed, tested and refreshed. In other words, this is a never-ending battle ensuring the business is able to survive and thrive within its chosen market. In conclusion, IT risk management is not necessarily a technological nightmare. Rather, it is a business issue of strategic importance addressed through a combination of robust technology, people and processes.

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