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What does good digital & IT look like in SME businesses?

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The accidental IT Director's guide

In SME businesses, directors with responsibility for digital and IT often don't have a technical background. They tend to be Finance or Operations Directors, or CEOs looking to understand if their IT systems are reliable and optimal for their business.

They lean forward into the IT role to find suppliers talking in riddles, their teams are frustrated with poor system performance, and fears about cyber security and business continuity start keeping them awake at night.

In larger SMEs where there is an IT department they are often occupied with keeping the lights on – so busy running day to day processes there is little time to think proactively about digital & IT strategy.

So what does 'good digital and IT' look like in SME businesses? The FluidIT Maturity Framework is a 360 degree view. Find out how you can use it to identify opportunities for greater business agility, technology-led innovation, better risk management, and enhanced user and customer experiences.



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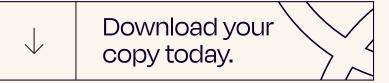
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What is the Fluid IT Maturity Framework?

Over the years we've developed a holistic understanding of what good IT and digital capabilities look like in SME businesses.

The Fluid maturity framework, together with this whitepaper, is a reference guide to everything the non-technical IT director needs to consider when establishing or reviewing an IT function, from developing a proactive digital strategy to IT infrastructure and cyber security.





I really appreciated getting a full picture, from an unbiased perspective, of exactly where the business was in terms of platforms, software and hardware, and the associated risks and opportunities. It allowed me to make decisions about where to invest resource. And we were able to plan and prioritise the deliverables based on the benefits to the business.



Tom Ainscough, ZyroFisher Ops & IT Director

ZYROFISHER



Read the case study.

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How to use the Fluid IT Maturity Framework?

The framework gives you a simple way to benchmark your company's current level of digital and IT maturity and identify target performance. Many SMEs are at levels 1 or 2 in most areas. In today's increasingly digital world, they should aim for at least a level 3, and in most cases a level 4, in each of the eight business areas.

As you climb the maturity ladder your IT capability is better able to respond to new market opportunities, it's more secure and fail-safe, and will allow you to be more efficient and effective in your chosen market. It's often a slow process and needs to be appropriate to your company culture, but the benefits, both top and bottom-line, will pay for the journey.

The targets will depend on the business's appetite for risk, growth plan, and drive to outpace competitors. By assessing your business's current operations against the FluidIT Maturity Framework you'll quickly get an understanding of where the gaps are. Use the framework as a guide to set target levels of performance. This will give you a sound basis for discussions about where to prioritise technology investments.

Why now?

In 2020 the top technology priorities for UK SMEs were to mitigate risk, especially the threat of cyber attack, and develop opportunities for business growth with a digital strategy focussed on increasing visibility of internal data and using it for competitive advantage⁽¹⁾

(1) State of Technology at UK SMEs 2020 report



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Eight maturity pillars

Technology brings opportunities and risks. 'Good IT and digital' means understanding what it can do to help and protect your business.

There are eight areas to get consider. Get these right and you've nailed it.

Opportunities

1	Be ready to change and grow
2	The right system or blend of systems
3	Digitalise and automate your process
4	Make the best informed decisions

Risks

5	Manage Cyber Security and GDPR
6	Build your organisational resilience
7	Get the best from IT suppliers and vendors
8	Have the right skills, resources & policies in place



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Be ready to change and grow

In a world where business growth is increasingly dependent on digital and IT, there is a widening divide between businesses that are technologyenabled and businesses that are not.

Digital leaders are outperforming their competitors in terms of customer trust and experience, employee experience, and operational efficiency⁽²⁾. In order to change and grow you need a digital and IT strategy that aligns to the business priorities. You'll need capability in the organisation to deliver the change effectively, and track those all important business benefits.

(2) Harvey Nash / KPMG CIO survey



There was a lot of enthusiasm in the strategy workshop and people came away with engagement in the process and commitment to implement it. It moved up people's priorities and became a project with a timeline. There was real traction. I wasn't expecting that level of enthusiasm from an IT project.



Daniel Whittle, Whitby Seafoods Managing Director



Responsibility for digital and IT strategy often falls to a director who's too busy doing the day job to think about what's next. There isn't a digital and IT plan for delivery, and there may only be informal agreement of priorities at senior level.

What does good look like?

It's not enough to have a standalone digital and IT strategy and plan. They need to be integrated with the business plan and aligned around business goals, so that technology investments are clearly linked to business benefits.

51% of SMEs

indicated at least one issue relating to planning or initiating their digital transformation, such as defining their requirements, selecting the right products or technologies, or choosing suppliers.

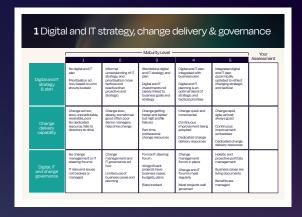


Read the blog.

What is your Maturity score?

Refer to the FluidIT Maturity Framework:

Digital and IT strategy, change delivery and governance





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The right system or blend of systems

It's vital to understand the extent to which existing systems meet business requirements and can be scaled to meet future growth.

If you want to have 'good digital and IT' you need a comprehensive grasp of, where the gaps are between the systems and the business requirements and a prioritised plan to bridge those gaps.

Once the key gaps have been identified, businesses are then faced with a choice about how to close them. The best option might be to extend or adapt their current core solutions by buying additional modules or bespoke development. Or the gaps may require looking at implementing new off the shelf solutions that fit the requirement.

Businesses that do this well will have systems that are more closely aligned to their customers' needs and drive operational efficiency.



Our solution supplier was telling us that our problems were only teething issues that could be resolved with a bit more tweaking of the system. We commissioned an independent gap analysis of the solution against our business requirements which identified that the system was fundamentally unsuitable for our business model and requirements.

We are now working with our partners through a robust 'spec and select' exercise to choose a replacement system which will be a much better fit to our requirements.



Christos Panayiotou, Director, Trade Skills 4 U



Lots of SMEs are working with functions that are unsupported by any core system and processes that are manual or spread-sheet based. There is lots of repetitive data entry and off-system processing or workarounds.

What does good look like?

As the business begins to mature you start to see adoption of core systems which meet many requirements. The most mature businesses choose flexible systems that can grow and change with the company. You'll see increasing use of Software as a Service (SaaS) solutions which allow for rapid scaling based on demand, or cloud hosting / Infrastructure as a Service (IaaS).

The right system or blend could mean extending core solutions, buying additional modules, or a whole new system.

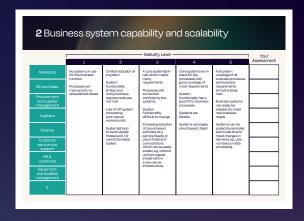


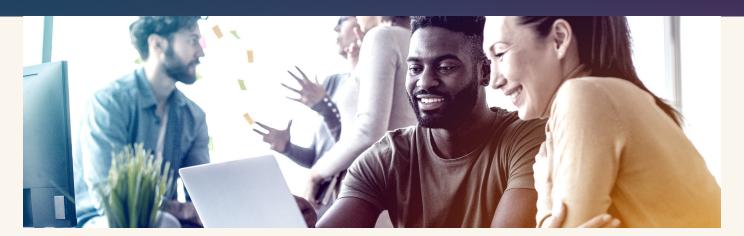
Read the blog.

What is your Maturity score?

Refer to the FluidIT Maturity Framework:

Business system capability and scalability







Digitalise and automate your processes

For SMEs, buying in a new system can be drastic in terms of the impact on people and processes, not to mention the cost.

Edge technologies like Robotic Process Automation (RPA) and low code app development can be used to integrate existing systems and improve process efficiency. These bespoke solutions are lower cost, lower risk and faster to implement than off-the-shelf systems.

For many SME businesses digital transformation is about the right blend of old and new technology but how does this look?



Working on this project has allowed us to react faster than ever before, with less manual input, ensuring we identify business risks early and act on them quickly, giving our customers the best possible service and embracing digital technology



Damien Ward, National Technical and Compliance Manager, Checkmate Fire





Read the case study.

Lots of SME businesses remain reliant on spreadsheets to manage and execute processes. It's common to see lots of paper forms and manual re-keying of data into systems. There's generally a lack of systems integration and lots of manual interfaces between customers and suppliers.

What does good look like?

SME business who lead on digital transformation start seeing even the most difficult to digitalise business processes being transformed end-to-end with cloud solutions that are accessible by desktop and on the go via a mobile app.

Gartner estimates that low-code will account for 65% of all application development by 2024

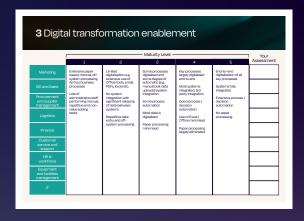


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What is your Maturity score?

Refer to the FluidIT Maturity Framework:

Digital transformation enablement





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Make the best informed decisions

Nearly half of all UK business leaders are still using their gut instincts when it comes to making business decisons⁽¹⁾.

They do this because their gut feelings have been right in the past and although the business has tons of data they struggle to turn it into useful actionable insights.

Increasing complexities in making effective and timely business decisions in an unpredictable world have driven more and more SMEs to adopt business intelligence (BI) technologies.

BI technologies drive better decisions by giving increased visibility of business trends and the ability to drill down into operational performance.



With almost 200 operatives spread across 50 nationwide sites on any given day we were certainly generating plenty of data. Data only becomes power when it can be easily and instantly presented into a format that is consistent and relevant



David Woffendin , Checkmate Fire Chief Operating Officer





Read the case study.

SME businesses can struggle to extract, merge and process multiple data sets, where too much effort is spent on preparing reports and not enough on analysing them for opportunities and exceptions.

What does good look like?

Staff across the business have access to visual dashboards in real time. Data extraction is automated with KPIs and insights surfaced into reports for live management of business performance.

Users are presented with bespoke information and have the ability to spin up their own 'self service' reports, knowing the data they access is accurate and complete.

In 2020, increasing the use of data and insights was one of the top three technology priorities for SMEs, and data management was one of their biggest concerns.

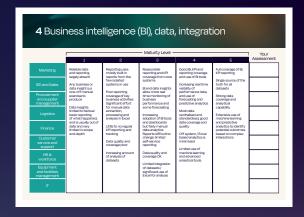


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What is your Maturity score?

Refer to the FluidIT Maturity Framework:

Business intelligence (BI), data, integration





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Make the best informed decisions

Increasing cyber security provision is the top technology concern for SME businesses.

This isn't a surprise when 81 per cent of SMEs in the UK reported at least one data breach or cyber-attack in 2020.

Cyber security and GDPR are closely linked, together they provide the foundational assurances that your data is used and protected appropriately.

It's important to keep in mind that cyber risks come from internal breaches as well as attacks on vulnerabilities in your business and in your supply chain. 90 per cent of data security issues were caused by human error in 2019, according to the UK Information Commissioner's Office (ICO).



The benefits of a robust cyber security strategy and effective management of personal data aren't just financial, they provide regulatory and customer confidence. Many SMEs are third-party suppliers and partners in vast networks belonging to larger organisations and therefore they are under increasing pressure to prove their security and data protection credentials, or risk losing access to lucrative business opportunities.



Rinkoo Pugal, Managing Director, Data Risk Solutions





increasing numbers of SMEs now have a cyber security strategy in place, but some are implemented inconsistently with ad-hoc risk assessments and ad-hoc security training. System access is often broad and open with only basic processes in place for starters and leavers.

What does good look like?

SMEs with robust cyber security and a high level of GDPR compliance have accountability at senior level and board-level reporting, and regular awareness training for all staff. Multi-factor Authentication is implemented across all systems and users.

7x rise in ransomware attacks in 2020, and this is a trend that's likely to continue

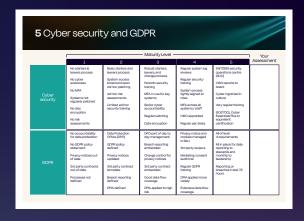


Read the blog.

What is your Maturity score?

Refer to the FluidIT Maturity Framework:

Cyber security and GDPR







Build your organisational resilience

The right IT infrastructure is one that meets the aspirations of the business growth plan, and provides responsive, reliable, scalable levels of performance no matter what is thrown at it. It allows staff to work securely from anywhere, without impinging on performance and productivity.

The most mature SMEs rely on their IT infrastructure to ensure their businesses are protected from disaster and have the agility to scale and change rapidly to meet evolving demands.

On premises, hybrid and cloud environments all have their uses but In general we would recommend a cloud-hosted infrastructure for SMEs. This is because it come with resilience, scaleability and security out of the box.



We often talk about disaster recovery in terms of catastrophic events. However it's more likely that failure of ageing servers and network equipment will cause the unavailability of IT systems. In an SME with a £5M annual turnover, the impact of not having access to their customer data and applications could be £25K per day in lost revenue, not to mention the loss in confidence of their customers and suppliers.



Andrew Wragg, Business Development Specialist, Clovertec





Read the case study.

Disaster recovery plans are either non-existent or out of date. Back ups may be in place, but not regularly tested. No one knows how long it will take to recover from a disaster or loss.

What does good look like?

Proactive server and IT infrastructure planning plus widespread cloud or Infrastructure-as-a-Service (laaS) adoption allow businesses to operate with minimal performance issues and system downtime and give unlimited scalability.

On-premises,
hybrid and cloud
environments all
have their uses,
but in general we
would
recommend
the cloud

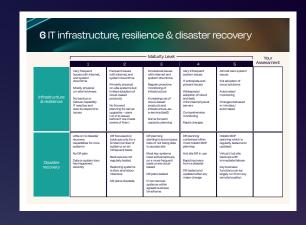
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Read the blog.

What is your Maturity score?

Refer to the FluidIT Maturity Framework:

IT infrastructure, resilience & disaster recovery





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Get the best from IT suppliers and vendors

With the increasing shift to digital cloud-based solutions and widespread adoption of remote-working, SMEs are driving a global increase in demand for Managed Service Providers (MSPs)⁽¹⁾

Managed services are seen as a cost-effective way to keep pace with rapid technological change and maintain a competitive edge.

The best MSPs offer a range of digital and IT skill sets, flexible, scalable service models and proactive maintenance.

SME businesses who choose the right MSP and manage their performance proactively will see a better business efficiency, a greater return on investment and improved staff morale.



An SME business that needs strategic leadership can leverage the experience of a fractional IT Director to review the company's capabilities against the digital and IT maturity framework to understand the key gaps. A fractional IT Director can identify when your managed service provider is not meeting the needs of the business and can help with the spec and select process of finding a more suitable one for your evolving needs. It's vital to have a managed service provider that meets the demanding digital transformation needs of a rapidly growing business.



Jason Lock, Infrastructure Architect, FluidIT Consulting

There is often an 'us and them' mentality instead of a partnership. MSPs may struggle to explain things in a language everyone can understand and have little proactive engagement with the business and its future plans.

What does good look like?

In the most mature SMEs, suppliers understand the client's business strategy and growth plan. They use their knowledge of technology to help innovate their client's business model and disrupt their markets. They are seen as part of the core team delivering complex projects that drive business growth.

The UK
government
identified MSPs as
essential digital
suppliers
that pose a
disproportionate
risk to the security
and resilience of
businesses

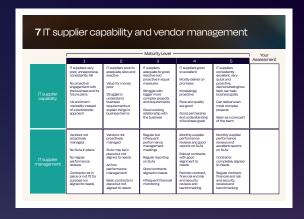


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What is your Maturity score?

Refer to the FluidIT Maturity Framework:

IT supplier capability and vendor management





Have the right skills, resources and policies in place

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The increasing importance of technology to businesses means that SMEs who want to get ahead of the competition require amodern IT function, capable of partnering with the business and harnessing cloud technology to drive innovation and achieve transformational growth.

This can be as light touch as fractional IT leadership to oversee an entirely outsourced IT provision, or supplementing their Managed Service Providers (MSPs) with a dedicated IT team and on site desktop support.

However, growing numbers of SMEs need internal capability that goes beyond traditional desktop support.



Seafoods

Many SME businesses don't have in-house software development capability, and some expect employees with limited capacity and capability to 'have a go'. IT policies are often not fit for purpose, procedures are often ad-hoc and undocumented and the internal IT operations and support can feel unresponsive, siloed, overwhelmed, and reactive.

What does good look like?

Mature SME businesses build diverse multidisciplinary teams that can cope with the many demands of their users, or collaborate with trusted partners who offer fractional resources and solution agnostic expertise as required.

81%

of decisionmakers report that utilising a trusted partner's skills/expertise is as or more important for success than the technology solution they provided

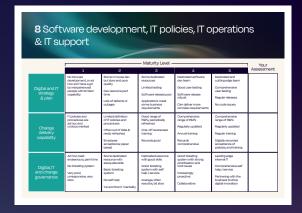


Read the blog.

What is your Maturity score?

Refer to the FluidIT Maturity Framework:

Software development, IT policies, IT operations & IT support







Key takeaways

- Every company is different. The Fluid Digital Maturity Framework is a tool to help you work out your own business priorities.
- Your business needs a digital and IT strategy that is integrated with the business plan and strategy.
- Get a clear picture of how your systems meet business requirements, identify gaps and have a plan to bridge those gaps.
- Automate data extraction and adopt Business Intelligence (BI) tools so you can see business performance in real time.
- Cyber security breaches are a case of when not if. Prepare now to increase customer confidence and save recovery costs.
- Take control in managing IT suppliers and understand your responsibilities.
- You don't need to do it all yourself. Look for a partner who offers a multi-disciplinary team on a part-time or fractional basis.

Unsure how to implement these changes?

Book a discovery call to see how we can help you deliver digital change.



Book now.

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The Fluid IT Maturity Framework



Download your copy

About Fluid

We help businesses work out what technology can do for them.

We work with and alongside our clients to get the right results, and on the way we learn and grow together.

We believe in the power of inspired innovation, meaningful change and collective success.

How we work

We begin by understanding your business goals and your current digital and IT capability.

We focus on business outcomes not technology deliverables. We work with the strengths in your people, processes and technology investments.

We push for results but at the right pace for our clients. Book a discovery call to see how we can help you deliver digital change: fluiditconsulting.co.uk/book

SME

IT leadership, technology advice, change & project delivery for small to medium enterprises

Private Equity

Value creation from digital transformation, throughout the investment lifecycle

Large Enterprises

Optimising strategic change and technology implementation programmes



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