

Managing Spend Under The Dark Cloud Of Shadow IT

By PYMNTS [Twitter](#) [Email](#)

Posted on January 5, 2021



Embracing the cloud often means more agile solutions that can promote greater productivity in the workplace. Today, the shift has quickly evolved from beneficial opportunity to absolute necessity.

One one hand, the ease of adoption and usability has lowered many barriers for organizations and their teams as professionals gain greater access to tools that can automate workflows, facilitate communication and support the need to work from home. Today, these features are critical components of ensuring business as usual amid volatile times.

On the other hand, the ever-present challenge of shadow IT — that is, the procurement and implementation of information technology solutions initiated by staff members outside of the central IT department — has now been exacerbated. While working remotely, professionals may find it easier than ever to download an array of technologies to help them remain productive. What that also means, however, is that IT departments and other managers have less visibility, and often less control, over how employees spend company money on these tools.

"No longer are your IT tools centered around an office," said **Gary Storm**, CEO of **vCom Solutions**. "How are you tracking the increase in employee IT assets and corresponding expenses? You need people, processes, and a platform."

A Persistent Challenge

The issue of shadow IT is not new, but the pandemic has perhaps intensified an already challenging point of friction. According to data from IDG in its **2020 IDG Cloud Computing Study**, nearly one-third of corporates' IT budgets are expected to be used for cloud-based technologies this year, with the coronavirus crisis accelerating cloud spend: businesses allocated about \$34.6 billion on cloud solutions in Q2 2020, a whopping 30 percent year-over-year increase.

The cloud has proven vital to the survival of many businesses, but the risks of shadow IT are prolific.

One of the biggest risks is the expansion of avenues through which cyberattacks can penetrate the enterprise, particularly, as Storm noted, as remote workers expanded their digital footprints.

"There was an increase in mobile tools, more mobile bandwidth, more home internet and increased security concerns," he said.

Snow Software's **2021 IT Priorities Report** reiterates this pain point with data: with the majority of IT leaders agreeing that management of their organizations' technologies has become more of a challenge, the greatest point of friction, cited by 43 percent of IT professionals, is managing cybersecurity threats.

But security is not the only issue at stake. Because it's easier than ever before for employees to procure a range of technologies, the ability for organizations to gain insight into and control IT spend has also become a greater challenge in a remote working environment.

Evolving IT Spend Models

Increasingly, the technologies available to professionals are offered on a subscription basis, making the risk of losing track of IT spend even greater. When individual employees acquire Software-as-a-Service (SaaS) solutions, a business could be paying for that technology on a weekly or monthly basis for months or even years before it's ever identified as an unnecessary or redundant expense.

But the enterprise IT ecosystem is evolving and, thanks to new business models, so is the way businesses pay for these tools. Increasingly, technologies are billing not by the week or month, but on a pay-as-you-go basis. According to Storm, this adds even greater pressure on IT teams and managers to continually track their IT spend.

"Consumption-based IT is already here," he said. "With SaaS, IaaS [Infrastructure-as-a-Service] and mobile, the old world of paying attention annually has disappeared. You need tools that give you all of the analytics at your fingertips so you can make decisions daily."

For the small business and mid-market ecosystem, however, the tools available to manage IT usage and spending are few and far between, Storm added. vCom Solutions aims to fill that gap, having recently released the **latest version of its software** offering with an array of new features designed to meet the evolving needs of IT teams — including the ability to manage IT assets based on employee, as well as to gain visibility into financing and payment plans.

As Storm noted, "it's almost impossible" for managers to ensure that IT spend is in-policy, transparent and secure unless companies have adopted a platform to enhance visibility.

With the pandemic dramatically accelerating the digital shift and the cloud migration, this "almost impossible" task has become even harder. Organizations must be able to arm their teams with the tools and technologies they need to remain productive while working remote, yet without a solution in-place to manage that IT procurement and usage, businesses risk lapsed security, wasted spend, and an overall lack of control over the technologies that keep a business running smoothly.