What is IT decentralisation and how is it changing the way we live?

By Michelle Slabbert   5 Feb 2021

Competing in the digital world has become paramount for large organisations. Companies are constantly seeking ways to remain relevant while still maintaining good business practices and their bottom line. The most successful organisations have realised the importance of embracing digital transformation irrespective of their core business. In the financial services sector, the power of digital has helped to improve customer experience and service offerings.
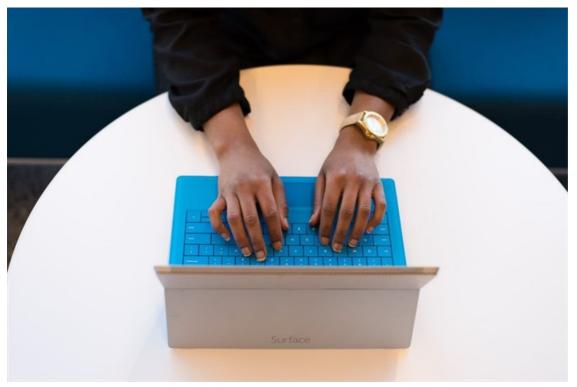

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Integral to any company's digital transformation is its IT operation. Speed, customer centricity, and efficiency in delivery now define how they operate, and the proliferation of decentralised approach has come to define IT in the digital transformation age.

By decentralising much of the day-to-day research and development that goes into building new products, large organisations ensure that they can remain agile and compete with smaller organisations and digital start-ups.

Two aspects to decentralisation

There are two broad aspects of decentralisation. The first has to do with people and structures and the second focuses on IT systems.

Decentralisation, when it comes to people, is currently in vogue – and for good reason. Thanks to the advent of Agile, DevOps and a Lean approach to work, decentralised teams have been embraced as the most effective way to reach established goals within a business. Teams in this environment can respond and deliver very quickly.

By their nature, they are a faster, nimble, and more responsive IT. They are smaller and consist of people from various parts of the business. Engineers, software developers, and designers work very closely with business analysts and domain specialists for a particular area of business. As a result, they get to know their particular of the business very well again, empowering them to be responsive and efficient.

Decentralised teams can be autonomous and have the freedom to make the right decisions and then act on those decisions quickly. Importantly, being Agile means that teams can be more responsive to customers, as they are able to deliver in smaller increments, in a much quicker way and get feedback, which aids customer-centricity.

In an Agile world, employees are expected to become T-shaped employees meaning they have to have broad and deep IT skills. While you can specialise in one or two particular areas you need to have a good understanding of the entire life cycle of your solution and you need to be able to contribute where you need to. Software engineering, design, testing, and operations are all skills that IT professionals working in a decentralised manner are exposed to.

Empathy and creativity

There are other 'soft' skills which are equally as important in a decentralised working model. Engineers must be empathetic and creative. They need to understand what their customers want and the problems or challenges they face daily, and they need to be able to plug into different ways of approaching their clients' challenges in order to solve them. The autonomy of being in a decentralised team allows for this.

This shift to smaller teams is not a new one and characterised IT in the 1990s. While the context and environment are new there were similarities with regards to the way we work. Teams were small and made up of people with different skills and business acumen working together closely.

However, what was different was the fact that systems then were siloed. In the 2000s IT became much more process-driven and centralised. Instead of Agile teams, you had pools of developers and engineers focused on a specific solution or channel or product. While this led to deep specialisation it was not a very lean way of operating and our systems continued to be siloed.

There have been a lot of changes in the context and the environment that we operate in that have allowed for quick and efficient turnaround times. Things like microservices and APIs are important tools which we can use to break down monolithic, siloed systems to create universal integrated systems which are modularised in a way that allows teams to effectively respond where they need to.

While the autonomy and integration which comes with decentralisation are important, they need to be tempered in some ways with the processes which are commonplace in larger organisations.

Architectural blueprints ensure that autonomous teams are all moving in the same direction towards the same goals and a common strategy and vision remain important. So do standardised tools and relationships with suppliers. Major corporates possess buying power which smaller companies cannot compete with and which can be leveraged to their advantage.

Today decentralisation is integral for how major corporates work because it creates agility and increases the ability to compete. However, when coupled with the accounting and reporting practices of a major corporate it also provides companies with the security of having the controls, checks and balances and partnerships in place that allow them to test products more rigorously before they go to market.

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