

How to Detect Shadow IT



What is Shadow IT?

Shadow IT describes the procurement and use of IT-related hardware, software, or services such as telecom connectivity, without the explicit approval of the IT department in an organization. Shadow IT accounts for **30-40%** of IT spending in large enterprises.



Why does Shadow IT form?



Bottlenecked IT departments.



Employees want to make their jobs easier and more efficient.



Lack of visibility into technology environment.

How to Shed Light on Shadow IT



Asset Visibility

Shadow IT demands visibility and centralization. IT teams need to maintain a detailed, and continuously updated inventory of all IT assets and services, wherever they reside.



Follow the Breadcrumbs

Follow the money trail. Analyze the statements from the accounting department. You can also follow support tickets. Employees often don't know they've implemented something that isn't IT approved and will submit support tickets allowing you to track down unsanctioned technologies.



Cost Allocations

There are technologies that ensure the accuracy of cost allocations by integrating with internal software, such as HR applications, that connect to the hierarchy of an organization and correctly allocate costs automatically. This uncovers expenses that were improperly coded and buried in accounting records.



Survey Employees

Go directly to employees and ask about technologies or services they use for their day-to-day tasks. These conversations help identify any unsanctioned technologies or services, and also learn why employees implemented them in the first place.

Prevent Shadow IT Going Forward

Who Manages the Technology?

Once Shadow IT is identified, you need to determine if the technology and expense will be managed by the business unit or by IT. If it is kept with the business unit, they will be responsible for the expense and be managing that technology in alignment with IT now that IT has visibility. The other option is to transfer the technology and expense to be managed by IT. Doing this ensures IT has control of the data flow and compliance, however, it can inflate IT's budget.

Create Policy & Controls

It is imperative for IT teams to create best practices on how employees should use external products, and policies should be implemented before deploying new technology. Shortening the time to review technology solutions can be an option to quickly address the issue and provide a timely alternative. Educating employees on approved and available solutions can help them make better decisions around the software and services they need to be productive.