

IT VALUE MANAGEMENT

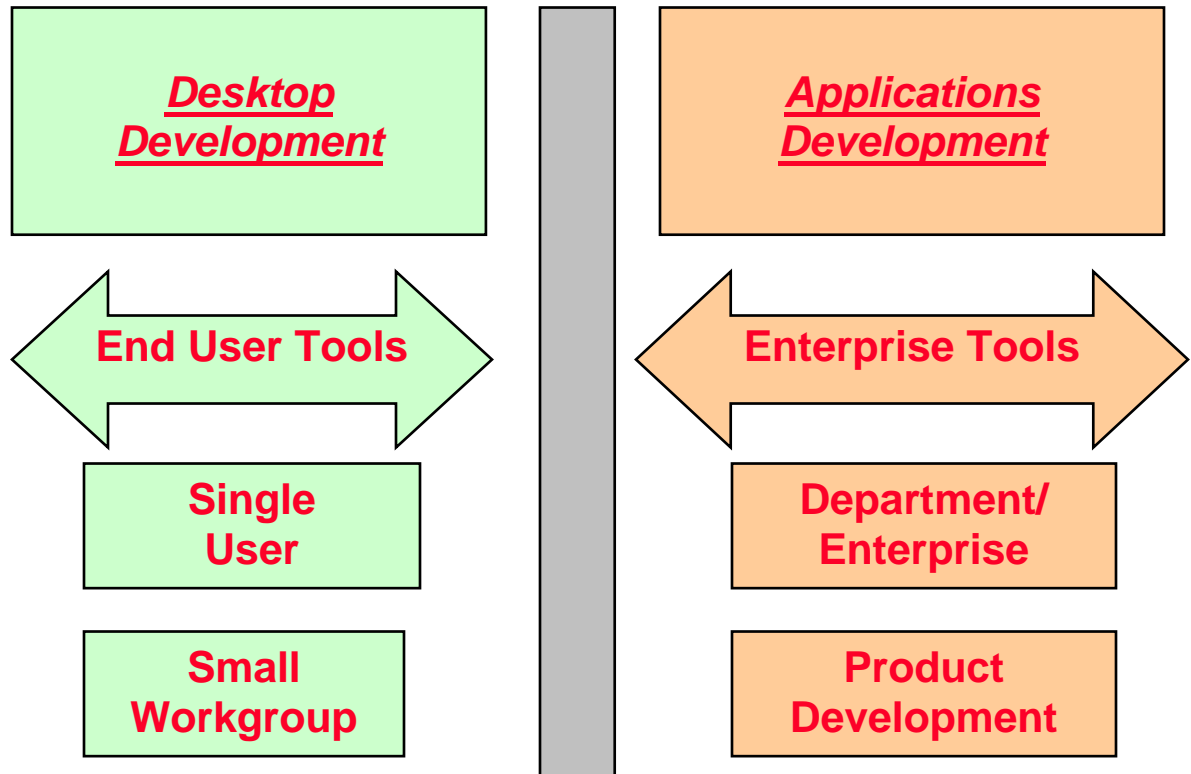
By Harris Kern's Enterprise Computing Institute

IT executives need to consider themselves and convince others to consider them as part of the business not separate from the business. "In organizations where IT is viewed as extremely critical to the business, today's CIO has not only realized that marketing the IT organization furthers the awareness that IT adds value to the business, but also has acted on that realization through concerted efforts to market IT...more than 70% of Global 2000 organizations perceived their IT units as supporting the business: they have a cost center, 'just-keep-the-lights-on', service-utility mentality that maintains IT should be mostly transparent to the rest of the business. If things are going well, no one knows the IT organization is there. If things are going badly, it gets noticed...leading CIO's are focused on bringing the full value of information to the enterprises bottom line...because business exists more and more at the discretion of information, IT organizations need to sell to their business colleagues the fact that IT can and should be leveraged for business value and growth. Marketing the IT organization increases the correct perception that IT adds value to the business...marketing the IT organization raises the enterprise's recognition of its dependence on the IT organization and helps ensure the CIO is (and is perceived to be) a business partner"

The marketing of Information Technology is a conscious attempt to identify, contribute, and clearly communicate value. Whether value is measured through revenue enhancement, operational efficiency, or competitive advantage it needs to be communicated in non-technical terms.

Recognizing value can often be a bottom-up process. Such was the case in recognizing the concept of an application spectrum and creating a desktop development group to provide value to single users and small workgroups at a large Fortune 500 financial institution. Their IT Training group is staffed with professional trainers who train business staff in the use of their desktop tools. Several years ago this group began to find themselves answering questions and assisting analysts and editors with basic macro creation. They began official training courses in macro writing, which allowed them to leverage end-users skills and knowledge to the great benefit of the organization. But they also began to recognize that departmental priorities rarely reflect single user or small group productivity needs and that exposure to the information technology group is generally only through the Help Desk or through large applications. The Application Spectrum below allowed us to recognize that there are categories of applications from repetitive keystroke macros all the way up to industrial strength 3-tier applications.

Application Spectrum



At the left end of the spectrum we find single user and small group productivity projects that can be completed in 3 hours to 3 weeks. At the right end of the spectrum we find large departmental and enterprise-wide projects taking 3-12 months to complete. The tools and the perspective at points along the application spectrum are different and are designed to service different audiences. The left side of the spectrum uses tools like VBA and Access to bring simple but effective productivity improvements straight to the desktop in a personal way. This exposes many users to IT value powerfully and directly because of the speed of implementation and the very real and immediate quality of life improvement. They suspected that a very quick response to small group's needs repeated for many small groups was an opportunity to add value to the enterprise and at the same time establish relationships all across the organization. To quantify the value of this opportunity they transferred one of their trainers into a one-man group for 12 months. They carefully assigned desktop projects and carefully quantified the resulting benefits. It was better than they could have hoped. They determined that for every hour of desktop development they achieved an 80-hour annual savings in analyst time saved. This allowed them to create a small desktop development group and institutionalize the process.

Other examples of communicating value

Value should be quantifiable and measurable. It is best to communicate value in its simplest recognizable form. For example:

Unedited Version	Value Communication Version
We built a robust, flexible Editorial platform that is scalable and automates the editorial process utilizing redirect ional metadata technology to deliver abstract, encapsulated information.	We built a reliable and flexible Editorial tool that gathers, presents and delivers customized information to our clients. The tool reduces product creation time by 40% and can deliver information in any industry standard format without requiring technical intervention.

Value is best communicated to the enterprise by IT's business partners. The right relationship and recognition of value leads to the ideal situation of business partners becoming evangelists. At a fundamental level it needs to be understood (without having to say so) that underpinning the entire process of value creation is the partnering relationship. All members of IT need to be educated to recognize their business contributions. All need to understand their business partner's concerns and address them both formally and informally.

The following real life examples illustrate value communication in different circumstances:

Example 1: Analyst Workstation

Background: Multiple Desktop tools.

No reliable network.

Obsolete Hardware & Software

General Perception of Value to be obtained but no visceral appreciation of potential value; therefore no incentive to make the necessary investment to move forward.

Objective: Create a desktop environment and infrastructure that allows analysts to do their jobs more effectively.

Issue: How to demonstrate the value of the proposed desktop (and its supporting infrastructure)

What was done: Selected an influential Managing Director who recognized the value of the desktop.

The MD became a partner and was instrumental in the development of the workstation prototype. He also encouraged other analysts to work with the team.

Made the workstation an analyst creation that IT would implement.

This was not an IT creation or project.

Helped the MD to document actual examples of his daily workflow and proceeded to automate that workflow with real data within the prototype. This was not a production prototype so work was illustrated through screens only.

How value was communicated: “Performed” A-Day-In-The-Life-of Rob Analyst for an executive audience. Rob and two analysts from his team were the starring actors.

Three PC’s were set up at tables in a large conference room. All three PC’s were connected to the network and had their monitors displayed on a large screen at the front of the room.

Act1: took an actual workflow with actual data and illustrated how data was gathered, manipulated, analyzed, shared and put into a product. This included

all the manual handoffs and redundant effort with man-hours illustrated.

Act II: Ran through the proposed workflow with the same cast using the same information and the new workflow.

Reinforced through activity reports, presentations (e.g., post implementation reviews).

Results:

The play resulted in a standing ovation.

The audience not only recognized the value in a personal way but also added significantly more potential value with immediate suggestions for present and future enhancements.

Not only did this exercise communicate value but communicated a vision as well.

When this initiative came up for funding it had already become a road show and was warmly approved.

Wherever possible value should be quantifiable and measurable. Keep the business aware of not only status but also direction. Use your business champions as evangelists. Keep the executive committee in mind (anecdotes, key high-level accomplishments, letters of praise). Operational advances can be demonstrated via a “day in the life”.