

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. If things are going well, no one knows the IT organization is there. If things are going badly, it gets noticed. Leading CIOs are focused on bringing the full value of information to the enterprise's bottom line, and 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 and also 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 nontechnical terms.

Communicating Value

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

Example: Analyst Workstation

This real-life example illustrates value communication in a specific circumstance.

Background. This company was using multiple desktop tools, did not have a reliable network, and was using obsolete hardware and software. In addition, the business leaders had a general perception of value to be obtained, but they had no visceral appreciation of the potential value. Therefore, they had no incentive to make the necessary investment to move forward.

Objective. The firm's objective was to create a desktop environment and infrastructure that would allow the analysts to do their jobs more efficiently and effectively.

Issue. The issue the firm faced was how to demonstrate the value of the proposed desktop and its supporting infrastructure.

The process. The company selected an influential managing director who recognized the value of the desktop. The managing director became a partner and was instrumental in the

development of the workstation prototype. He also encouraged other analysts to work with the team. He made the workstation an analyst creation that IT would implement; it was not an IT creation or project. The analysts helped the managing director 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 they illustrated the work through screens only.

How value was communicated. The analysts performed a skit of “A Day In The Life Of Rob Analyst” for an executive audience. “Rob” and two analysts from his team were the starring actors. They had set up three PCs at tables in a large conference room. All three PCs were connected to the network and had their monitors displayed on a large screen at the front of the room.

For Act I, Rob and the other analysts 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 hand-offs and redundant effort, with the man-hours illustrated.

For Act II, Rob and the analysts ran through the proposed workflow using the same information and the new workflow. They reinforced the illustration by using activity reports, presentations, and post implementation reviews.

Results. The play got 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; it 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 and celebrate key high-level accomplishments and write letters of praise.