

Designing Your New IT Winning Strategy

A briefing and facilitated conversation with . . .



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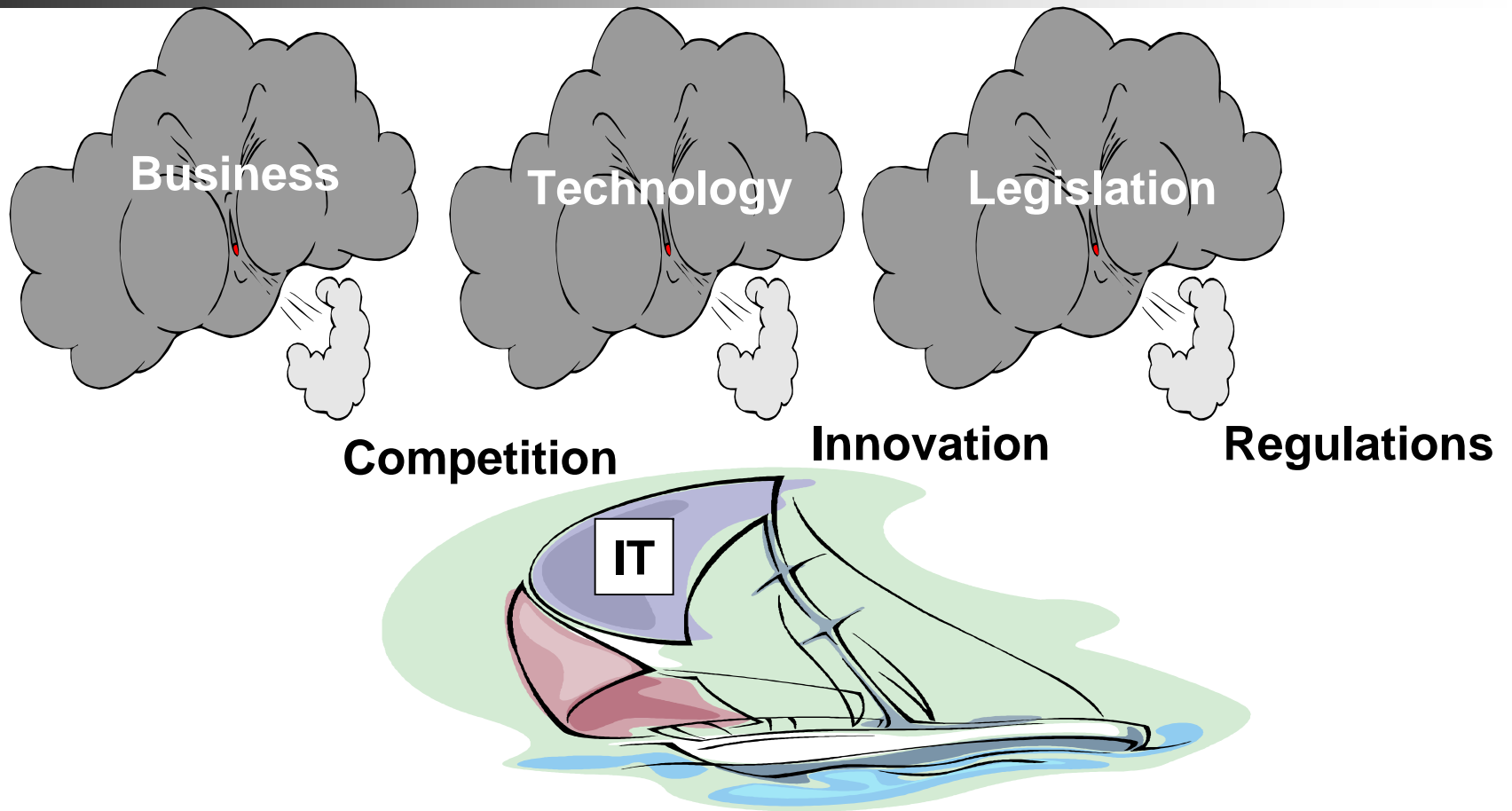
What we will discuss today

“In the middle of difficulty lies opportunity,” -
Albert Einstein

The Agenda

- Brief look at what's driving IT difficulties
- Closely explore what can we do to seize the opportunities these difficulties offer right now
- Close by taking a brief look at one of the obstacles to future success and how we can overcome it

What drives IT change?



Discussion: What forms are these taking in your business and how are you tracking them?



Your Feedback: What forms are these taking in your business and how are you tracking them?

- Customer Orientation
- Strategy planning was 4-5 years now 12 months
 - Business to help drive technology
- Bottom line focus – where's the ROI?
 - Utilizing Centers of Excellence, outsourcing to concentrate on core business
- Compliance
 - Contingency planning
 - Business contingency
- CIO's role is different

Four things businesses want right now from IT

1. Whole IT investment management versus budget cost-savings	2. Develop and maintain alignment between the business and IT
3. Get more done with less people without burning out your people	4. Effectively manage remote multi-cultural relationships and teams

Let's explore and discuss each of these





1. IT Investment Management

2. IT Alignment

3. Productivity

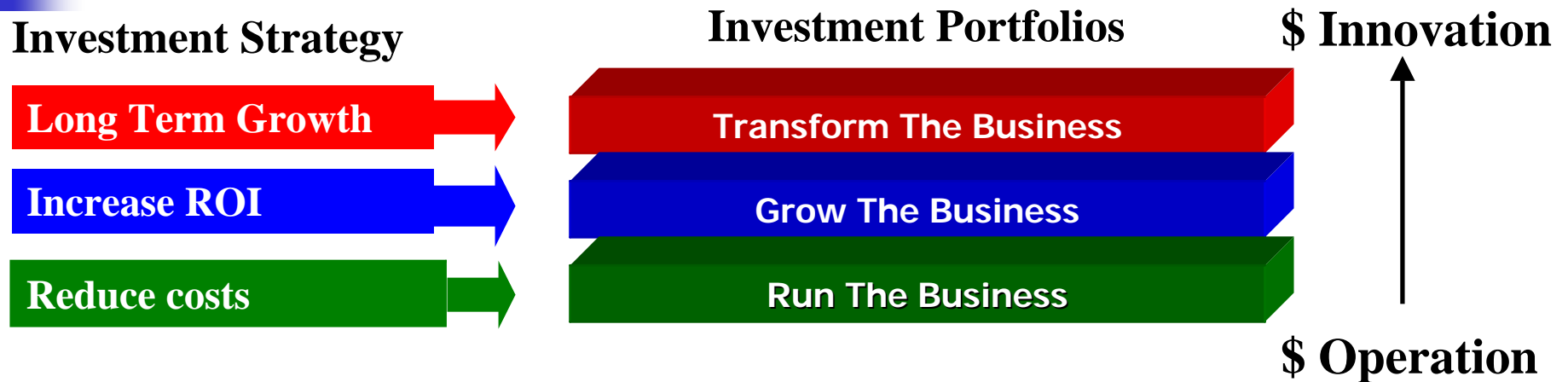
4. Remote Multi-cultural relationships



The current state of IT investment management

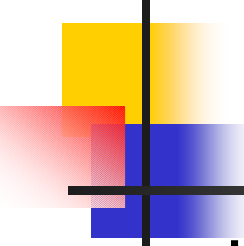
- The average company uses 79% of their budget running their existing operation, leaving only the remaining 21% to fund competitive innovation
- According to surveys, IT executives admit that they are better at saving money than investing their budgets
- According to a recent IBM survey, 83% of the 456 CEOs taking part, expect all components of their organization to focus on revenue creation as the biggest opportunity for business post-economic down-turn.

An IT Investment Management Model



A key benefit of using a portfolio model is that it moves you away from a project-by project cost-saving approach toward a more holistic optimum investment management approach

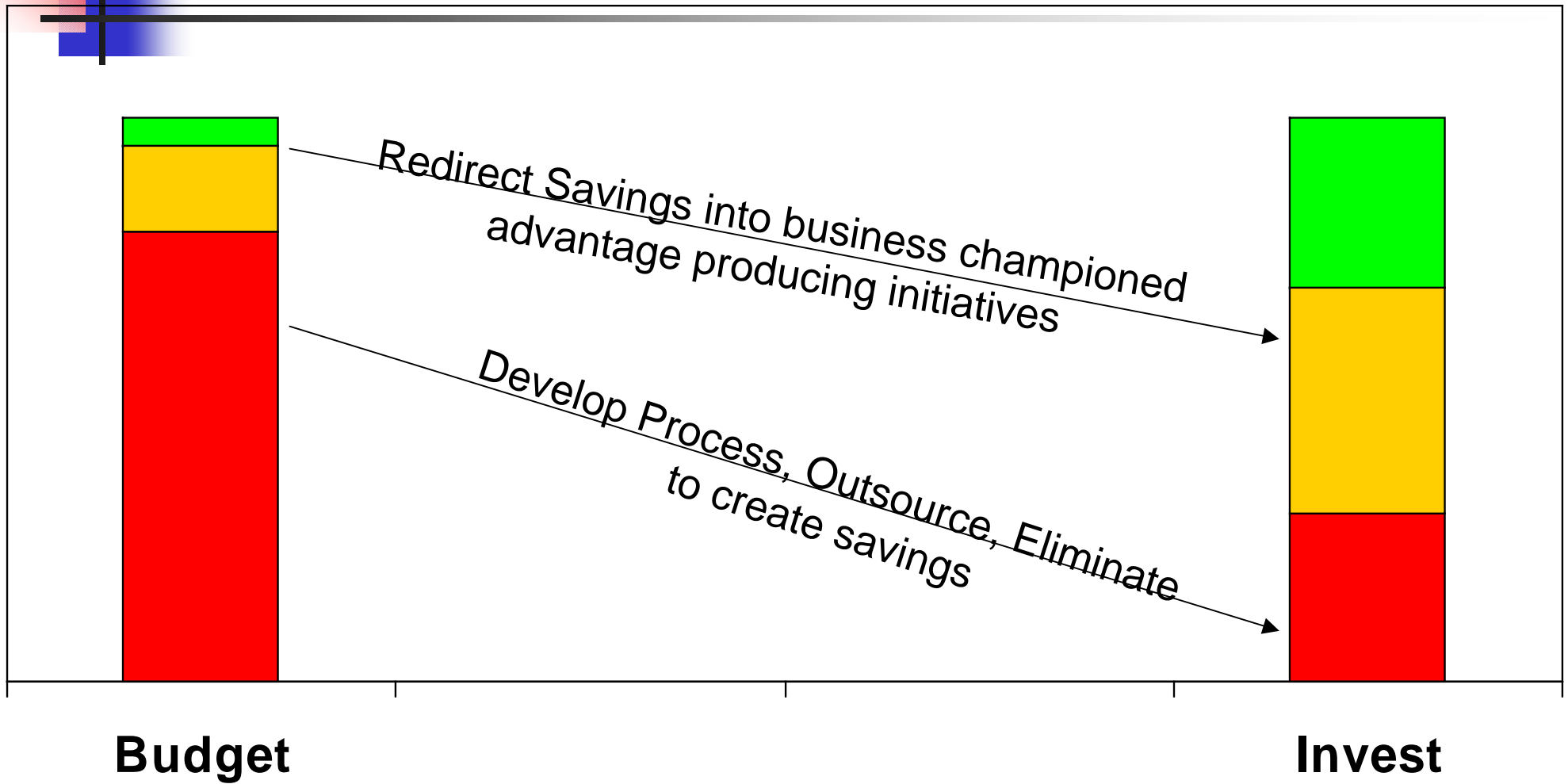
**Discussion: How might you be able to use this information?
Are you already doing something similar?**



Your Feedback: How might you be able to use this information? Are you already doing something similar?

- Leverage the Model by
 - Asking what you can do for the company
 - Evaluating The Run vs Grow vs Transform
 - Manage the investment from the big picture
 - Seek out savings via process / sourcing / elimination of non advantage producing efforts
 - Redirecting savings into advantage producing efforts

Your Feedback: How might you be able to use this information? Are you already doing something similar?



■ Maintain ■ Grow ■ Transform



1. IT Investment Management

2. IT Alignment

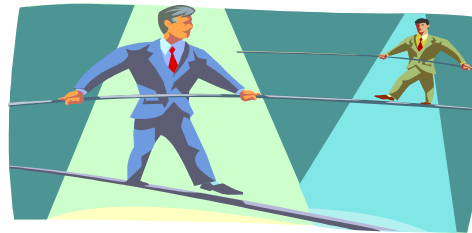
3. Productivity

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The current state of IT business alignment

The Business Strategy

IT Investments



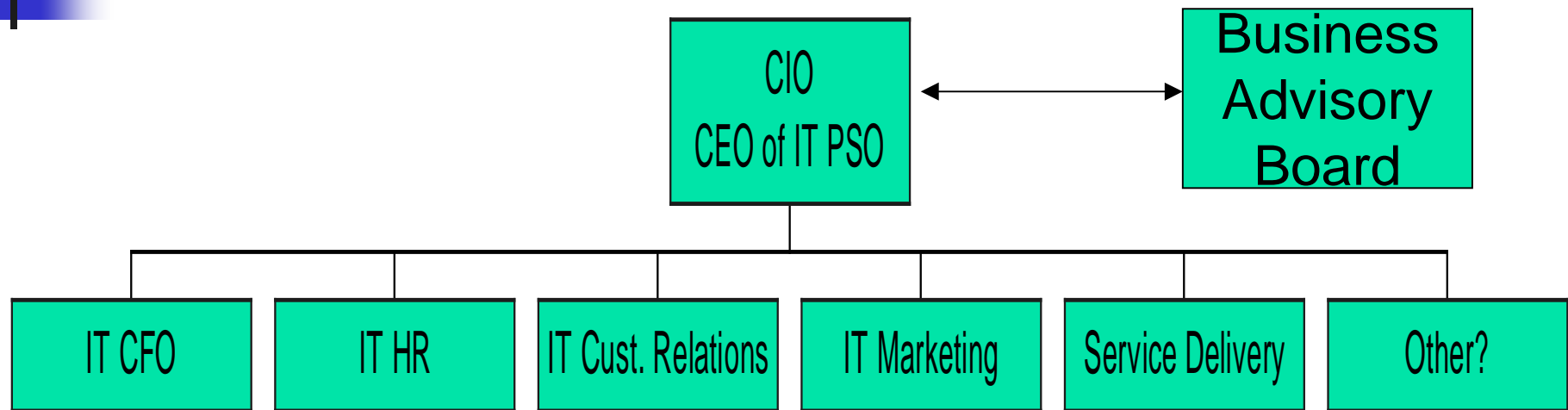
- More than 70% of the enterprise IT organizations lack a healthy business IT relationship according to META Group
- META Group also tells us that two out of three opportunities presented to a company are past over due to the lack of IT readiness!
- According to a Morgan Stanley study, between 2000 and 2002, US IT organizations bought \$130 billion dollars of things they did not need (Gartner places the worldwide figure at 540 billion)
- According to an IT Service Management Forum poll, 77% of IT workers feel that General Management and IT Management are NOT on the same track concerning IT Policy within the company



A few alignment practices


- Creating business/IT steering committees
- Senior IT executives participating as drivers with the CEO and other c-level executives
- Restructuring the entire IT organization so that it operates as a business within the business.

The IT organization as a services business within the business model



The IT PSO is designed to maintain locked-step with the business!

Discussion: What does this new approach mean for the CIO's role? What does it mean for the roles of managers and supervisors reporting to this organization?



Your Feedback: What does this new approach mean for the CIO's role? What does it mean for the roles of managers and supervisors reporting to this organization?

- **Business Oriented Partnership**
 - Develop Relationships
 - Market the organization's value
 - Senior Management stakeholders in IT
 - IT Leadership stakeholder in business goals
- **High Level of Entrepreneurship**
- **Professional Services / Shared Services Model**
 - How do you make money?
 - Great Service for Low Cost
 - Customer Relations / Metrics
- **Business Champions Technology Initiatives**
 - Lines of Business will champion funding of investment that impacts them.



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- 3. Productivity**

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The current state of the IT workweek and productivity

- According to studies, the average IT professional currently works between 55-65 hours
- There is a huge amount of pressure to continue to do more with less. 78% of managers taking part in an Information Week survey stated that getting a better return on IT capital investments is a top priority
- Over work is costing companies money. According to studies by the National Institute of Occupational Health, American industries incur losses of more than \$300 billion a year due to overwork
- Productivity loss resulting from these kamikaze work practices is also huge. According to experts such as Drs. Krista Kurth and Suzanne Adele Schmidt , overworked people take five times as long to complete the same task as a person who is rested. They also make more errors.
- After a few years at this pace, according to the 2004 META Group IT Staffing and Compensation Guide, out of 652 companies surveyed, 72% reported low employee morale



A few management practices designed to build productivity

- Obtain or design tools to enable the IT team to do capacity planning and balance utilization
- Automating the “IT factory” (A recent InformationWeek article)
- Getting an HR/IT person on the IT team
 - Putting processes in place to shorten the learning to performance curve
 - Investing in developing individual team members abilities to work faster and more efficiently
- Managers creating sustainable workloads that are focused on key business objectives



Steps for building focused sustainable workloads

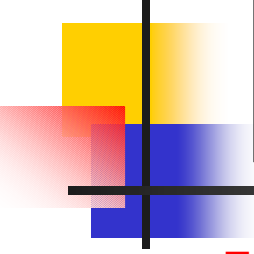
Process

1. Assess and force-rank work/tasks relative to their contribution of business objectives on a scale of 0-5 (0= no contribution)
2. Create a fix sustainable workload time frame
3. Eliminate tasks that do not contribute to the business objectives
4. Reduce commitments to everything lower than a five (or outsource)
5. Increase focus on all items ranked fives.
6. Revisit this process at least every quarter.

Results

- Lower work hours and sharper people
- More focus on the majors

**Discussion: How can you focus your energy and attention?
Your people?**



Your Feedback: How can you focus your energy and attention? Your people?

- **Business Alignment**

- Understand business objectives
- Prioritize manpower based on business priorities eliminating tasks not aligned with business objectives
- Establish and Communicate Expectations

- **Enhance the team**

- Align skills inventory with business need
- Establish and Communicate Expectations
- Be a role model
- Maintain Morale as a dashboard measurement of quality and productivity



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Multicultural & remote management needs in IT


- According to Forrester Research 3.4 million private sector jobs will move overseas in the next 11 years
 - 830,000 of these positions will be offshore by 2005 according to the Forrester study
- According to Gartner Group 10% of the computer services and software jobs will be overseas of the end of this year
- According to Forrester one key component to the success of offshore outsourcing is multi-cultural readiness
- With more than 50% of our brain devoted to vision, working remotely mostly over emails and conference calls adds to the challenge (See Mriganda Sur, MIT Research, Orientation Maps of Subjective Contours in Visual Cortex, December 1996),
 - When people see each other clearly the interactions are impacted by some of the 7,000 facial expressions that we share across cultures. (Face-to-face-communication increases understanding, especially when there are cultural differences involved)



A few of the practices used to make teams “multi-cultural/ remote ready”

- Investing in programs that raise cultural awareness
 - Diversity training
- Implementing tools that enable virtual collaboration
 - Web Collaboration Tools
 - Employing video to emulate face-to-face meetings when needed

**Discussion: How can you become multi-cultural ready?
How can you develop remote readiness? What have you
already done in this area?**



**Your Feedback: How can you become multi-cultural ready?
How can you develop remote readiness? What have you
already done in this area?**

- **Awareness**
 - Accept that there are differences
 - Promote diversity.
- **Understanding**
 - Develop diversity training
 - Promote learning other languages
 - Evaluate global capabilities and requirements
- **One Team**
 - Build relationships
 - Encourage global “Virtual Team” assignments
 - Create one common language – business alignment.

Q&A

- **Final questions from me to you**
 - How can you use any or all of this information in your organization?
 - If you are in transition, what are some of the ways you can use this information in marketing yourself?
- **Any final questions from you to me?**



Recap and parting advice

- Today's ongoing IT transformation offers big opportunities
- To seize these opportunities we must be willing to make a commitment to continuous re-examination and self-transformation
- Tough to do, but do-able with support

“In times of profound change, the learners inherit the earth, while the learned find themselves beautifully equipped to deal with a world that no longer exists.”

- Eric Hoffer, in *Reflections on the Human Condition* 1973