

IT That Matters: An Executive's Guide to maximizing the strategic value from your IT investment



Dennis G. Ravenelle

This presentation is based on the *itSMF* Publications book *IT That Matters: An Executive's Guide to maximizing the strategic value from your IT investment*
Copyright 2012 Dennis G Ravenelle and *itSMF* International Publications

itSMF International
The IT Service Management Forum



Dennis G. Ravenelle



A 30-year veteran of the information and communications technology field, having served as COO, CIO/CTO, and CEO of both public and private sector enterprises, as well as more than fifteen years of technology and management consulting.

He currently serves as senior project manager for the network infrastructure group of Harvard University Information Technology, has been a member of the Board of Directors of the *itSMF* USA, and serves the *itSMF* International as a member of the International Editorial Advisory Task Force and member of the liaison delegation to ISO/IEC JTC1 SC7.

itSMF International
The IT Service Management Forum



itSMF International
The IT Service Management Forum



Additional Resources from *itSMF* International Publications

Balanced Diversity
A Portfolio Approach to Organizational Change
Author: Karen Ferris

Creating and Driving Service Excellence
An Executive's Guide to IT Service Management
Author: Sharon Taylor

Greening Service Management
Authors: Ian Salvage & Karen Ferris

IT Tools for the Business when the Business is IT
Selecting and Implementing Service Management Tools
Author: Robert Falkowitz

Las trampas de la integración
Author: Oscar Corbelli

itSMF International
The IT Service Management Forum



“IT systems that are out of date,
inflexible, or unable to support
new requirements”

[the greatest barrier to improving the
effectiveness of their company's
finance function]

Fall 2010 CFO Publishing Survey

itSMF International
The IT Service Management Forum



itSMF International
The IT Service Management Forum



Harvard Business Review

HBR AT LARGE
IT Doesn't Matter
 by Nicholas G. Carr
 With Letters to the Editor

As information technology's power and ubiquity have grown, its strategic importance has diminished. The way you approach IT investment and management will need to change dramatically.



**Integrated
Optimized**



**Managed
Defined
Aligned**

Maturity



**Initial
Unstructured
Ad hoc
Chaotic**



itSMF International
 The IT Service Management Forum



itSMF International
 The IT Service Management Forum



This is "the business" too ...



itSMF International
 The IT Service Management Forum



itSMF International
 The IT Service Management Forum



ATLAS
 "A Toroidal Large
 Hadron Collider Aparatus"



itSMF International
 The IT Service Management Forum



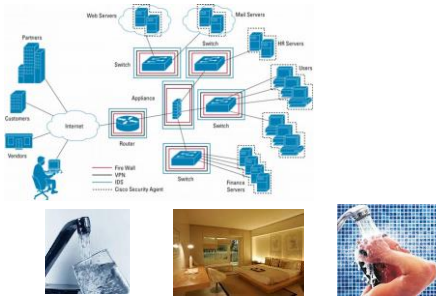
IT provides services that enable business functions like:

- Communications & messaging
- Sales & marketing
- Finance, accounting, reporting
- CRM
- Estimating & engineering
- Supply chain & logistics
- Export control
- Process control
- ... etc.

itSMF International
 The IT Service Management Forum



The foundation ...



1. Fix the foundation.

Until and unless IT delivers reliable foundational services and can communicate that they do so effectively and efficiently, there cannot be a perception of credibility and value associated with IT.

itSMF International
The IT Service Management Forum



itSMF International
The IT Service Management Forum



“If you can’t deliver at the right price and quality, you had better find an outside provider to fill the gaps.”

Allan Hackney, CIO
John Hancock Financial Services

“There is nothing so useless as doing efficiently that which should not be done at all.”

Peter F. Drucker, Ph. D.
Academic, writer and consultant

itSMF International
The IT Service Management Forum



itSMF International
The IT Service Management Forum



2. Build the governance structure and leadership team.

Get the right people in the room to articulate the objectives and direct the changes necessary in order to prioritize remediation and align the services that IT provides with the vital business functions and the strategic objectives of the organization.



itSMF International
The IT Service Management Forum



itSMF International
The IT Service Management Forum



“Making IT work demands the same things that other parts of the business do – inspired leadership, superb execution, motivated people and the thoughtful attention and high expectations of senior management.”

Getting IT Right (2004)
Charlie Feld & Donna Stoddard

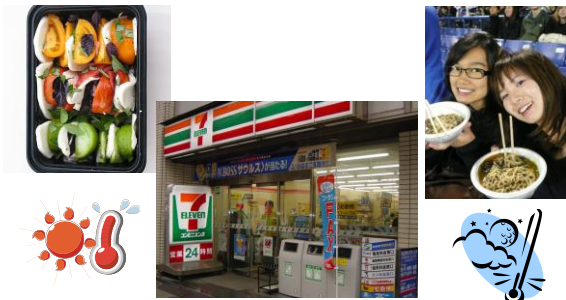
“3 interdependent, interrelated and universally applicable principles:”

1. A long-term IT renewal plan linked to corporate strategy
2. A simplified, unifying corporate technology platform
3. A highly functional, performance-oriented IT organization

Getting IT Right (2004)
Charlie Feld & Donna Stoddard



The strategic difference ...



“The correct IT approach depends on a host of factors, including a company’s history, industry, competitive situation, financial position, and quality of IT management.”

Information Technology and the Board of Directors (2005)
F. Warren McFarlan and Richard Nolan



3. Define the vision and strategy.

Two tracks:

- Organizational structure and processes
- Simplified, unifying technology platform
- Business outcomes
- Portfolios
- Priorities
- Funding
- Frameworks
- Timetables

Vision and Strategy

- | | |
|---------------------|--------------------------|
| • Primary Practices | • Secondary Practices |
| –Excel at all 4 | –Excel at any 2 |
| • Strategy | • Talent |
| • Execution | • Innovation |
| • Culture | • Leadership |
| • Structure | • Mergers & Partnerships |

Nohria, N., Joyce, W., Robertson, B. What Really Works.
Harvard Business Review July 2003



4. Assemble and prepare the execution team.

“There’s no reason why most companies can’t develop a long-term IT road map tied to corporate goals. There’s also no reason that given sufficient discipline and resources, most can’t develop a unifying IT platform. But without a high-performance IT organization in place— one that looks very different from those found in most companies—a messy IT business will persist.”

Getting IT Right (2004)
Charlie Feld & Donna Stoddard

itSMF International
The IT Service Management Forum



Kotter’s 8-step process for successfully leading organizational change:

1. Establish a Sense of Urgency
2. Create the Guiding Coalition
3. Develop a Change Vision
4. Communicate the Vision for Buy-in
5. Empower Broad-based Action
6. Generate Short-term Wins
7. Never Let Up
8. Incorporate Change into the Culture

itSMF International
The IT Service Management Forum



“Winning companies ... determine which processes are most important to meeting their customers’ needs and focus their energies and resources on making those processes as efficient as possible.”

What really works (2003)
Nohria, Joyce & Robertson

itSMF International
The IT Service Management Forum



Making Music



itSMF International
The IT Service Management Forum



5. Begin and prosecute the work.

- Create the Sense of Urgency
- Business process reengineering
- Technology platform reengineering
- It takes time and it takes money
- Don’t burn-out your people – they all have “day jobs”

itSMF International
The IT Service Management Forum



6. Communicate, communicate, communicate.

- Plans and impacts
 - What you’re doing and why
- Focus on the benefits
 - To the business
 - To the members of the organization
- Celebrate all victories no matter how small

itSMF International
The IT Service Management Forum



7. Monitor and manage the progress.

- Measure results
- Take action to remove obstacles
- Seek continual improvement

8. Rinse and repeat.

- The job is never done
- Refine your portfolios
- Target quality and performance improvements in business outcomes:

Quality Objective	Quality Metric	Desired Business Outcome
Decrease	the time required to	complete an online purchase.



Putting it all together:

1. Fix the foundation
2. Build the governance structure and leadership team
3. Define the vision and strategy
4. Assemble and prepare the execution team
5. Begin and prosecute the work
6. Communicate, communicate, communicate
7. Monitor and manage the progress
8. Rinse and repeat



Discussion?

Thank you!

Contact: Dennis G. Ravenelle

Telephone: +1.617.388.4786

E-mail: Dennis.Ravenelle@verizon.net

