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CONSULTING & OUTSOURCING

Making IT Work:

The 5 fundamentals to getting the most value from your IT investment

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Most executives have pretty basic expectations for their business systems and technology infrastructure: they should do what they're supposed to do when they're meant to do it. They're intended to work.

But in today's business environment, the management of Information Technology ("IT") function has become a true challenge for most organizations as IT has increased in complexity. In a highly competitive business world, the dramatic introduction of new technologies makes it difficult for companies to keep up with the change. This is further compounded by the increased reliance on technology to manage critical information and operations.

However, by following the 5 Fundamentals of IT Management below, you can establish and maintain an IT organization that provides the value and performance that your business needs. But, it's not a simple task.

To identify if your company is ready for effective IT Management, answer the 5 Key Questions below:

1. Does your IT organization have what it takes?

IT requires strong discipline. IT must do more than just "put out fires." The implementation of disciplined operations, built upon a foundation of basic standards, processes, and systems, will allow IT to be more proactive, flexible and reliable. But this requires strong leadership, vision, and business understanding.

2. Would you run any other important part of your business this way?

IT must run like a business.
The activities and costs of running and operating the IT function must be clearly understood. But IT budgets are often unclear or undefined, and the actual expenses tend to get lost in a **"black hole."**

3. Do the business and IT truly understand each other?

IT value must be clearly identified and understood.
IT plays a critical role in how your business performs on a daily basis, but executives frequently fail to understand the real value of IT to the organization. Business and IT executives must be able to communicate effectively and articulate such value on a regular basis.

4. How do you measure IT performance today?

Performance must be tracked and measured.
Business performance is measured in many ways, and the management of the firm relies on these performance measurements to define strategies and investments. Yet IT, which requires significant recurring investment, typically has few if any clearly defined service levels. IT performance can and should be defined, monitored and measured, just like the rest of your business.

5. What does "IT's supposed to work" truly mean to you?

IT's strategic position must be agreed and understood by the business.
Executives must know where IT fits within the strategy and direction of the company to decide how to fund and invest in it. And IT must efficiently and consistently communicate to the firm the reasons for these investments and the value returned.
IT should be treated like any other well-run part of your business. It should be responsive, accountable, predictable, measurable, and return value on its investment.

Ask yourself this Key Question:

Can you afford NOT to have IT work well for you?
When evaluating the state of your organization based on these 5 Fundamentals, keep in mind that you cannot transform your organization alone. IT Managed Services is a viable mechanism for achieving business transformation, enhancing business agility, and managing IT operational costs. It allows you to focus on your core competencies and establish a solid infrastructure foundation underneath the business.

The definition of "IT Managed Services" is a critical part of the equation. If IT needs to be more than "putting out fires", then IT Managed Services needs to be more than "break and fix". It should include the following key elements:

— *Defining appropriate IT performance expectations and service levels*
— *Implementing effective IT standards, processes, and systems to monitor operations and performance*
— *Understanding the impact of IT failures and mitigating the risks*
— *Establishing realistic and flexible IT cost, investment, and business alignment strategies*
— *Leveraging key technical and operational IT expertise when you need it*

IT needs to be understood and managed just like any other part of your business. If you believe that preventing "fires" is a much more efficient business approach than "putting them out", then you must understand how IT fits into your business plans. Based on this plan, develop appropriate funding, establish structured and disciplined IT operations, and define specific performance objectives that are measurable. And remember to understand and plan for the impact to the business from IT outages.

The results will be improved productivity, satisfied business users and customers, effective IT cost management, and an IT operation that is focused on the needs of the business, today and in the future.

About the Author

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