Information Technology

Managing for Value and Getting Results
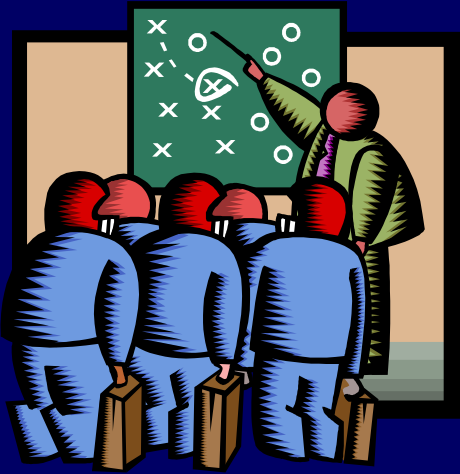
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Washington, D.C.

Presentation Overview

$\rightarrow$ **What do leading organizations do?**

$\rightarrow$ **Managing IT projects as investments**

$\rightarrow$ **Lessons learned:**
Top 10 problems to avoid

$\rightarrow$ **Getting started and getting better**

The Challenge

Often, the real challenge is not to persuade anyone to align IT resources with overall strategies, goals and objectives ..………

It's how to do it.

Case Study Organizations

Private sector

American Airlines
Kodak
Royal Bank of Canada
Xerox
United Services
   Automobile Association
American Express
Motorola
Texas Instruments
Mobil
General Electric
Ford Motor Company

State/local government

California	Virginia
Florida	Missouri
Minnesota	Minnesota
Oregon	Maryland
Texas	

Phoenix, Arizona
Sunnyvale, California
Dayton, Ohio

What do they do?

Decide to Change
- Communicate the urgency to change IT practices
- Get line management involved & create ownership
- Take action and maintain momentum

Direct Change
- Define customer needs and mission goals
- Measure the performance of mission processes
- Focus on process improvement
- *Manage IT projects as investments*
- Integrate planning, budgeting, and evaluation

Support Change
- Establish customer/supplier relationships between managers and IT professionals
- Use a Chief Information Officer
- Upgrade IT skills and knowledge

The Value of IT

Mission

Is the mission clearly defined and tied to external customer needs?

Work Processes

Are core management and work processes defined and linked to mission outcomes?

Decisions

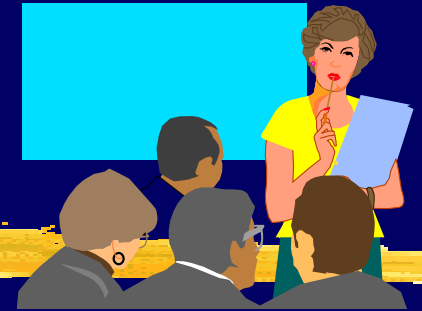Do decisions support mission accomplishment and work processes?

Information

Is information accurate, timely, secure and used to support mission goals, processes and decisions?

Technology

Are chosen information management technologies & systems appropriate for their intended purpose?

Business Alignment

We are in business to do this ……..	Define core business area missions
and therefore we need to do the following ………	The "to be" processes you need in place
for which we need to know these things …….	Prioritized information needs
but our current systems only provide us with this…	Information systems and cost assessment
so we need to invest in these to meet our mission.	Investment initiatives and action items

Business Case Benefits

- Reducing costs
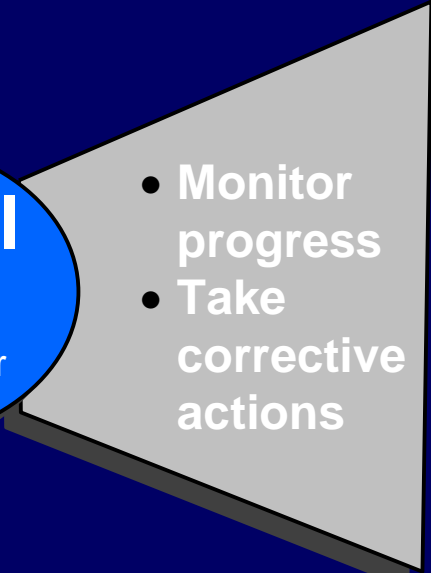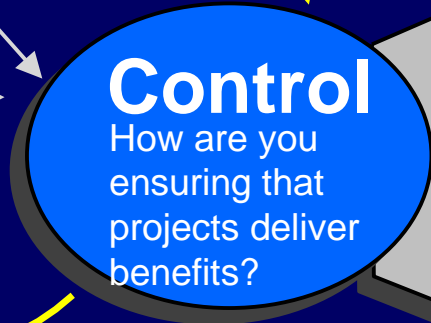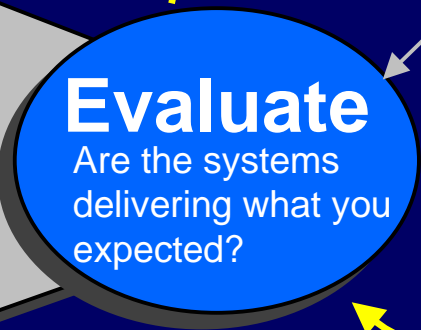- Increasing productivity

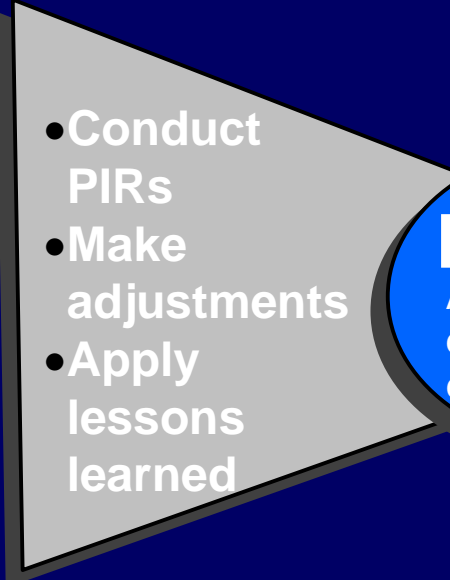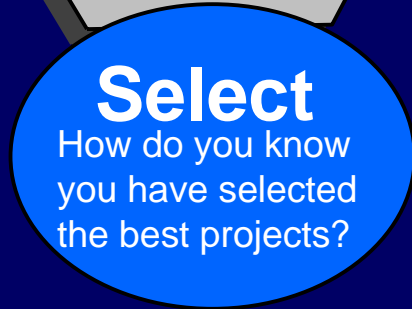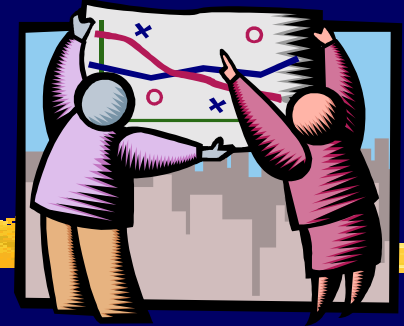- Decreasing cycle time

- Improving service

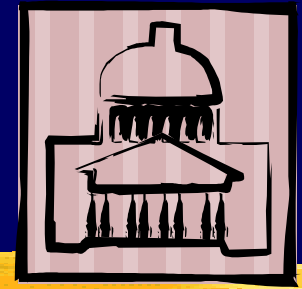Cost savings & avoidance

Reducing errors, duplication, avoiding needless work steps

Task, decision, or service delivery speed

Timeliness, convenience, access and reliability

IT as an Investment

- Screen
- Rank
- Select

Process →

Information ↔

Select
How do you know you have selected the best projects?

- Conduct PIRs
- Make adjustments
- Apply lessons learned

Evaluate
Are the systems delivering what you expected?

Control
How are you ensuring that projects deliver benefits?

- Monitor progress
- Take corrective actions
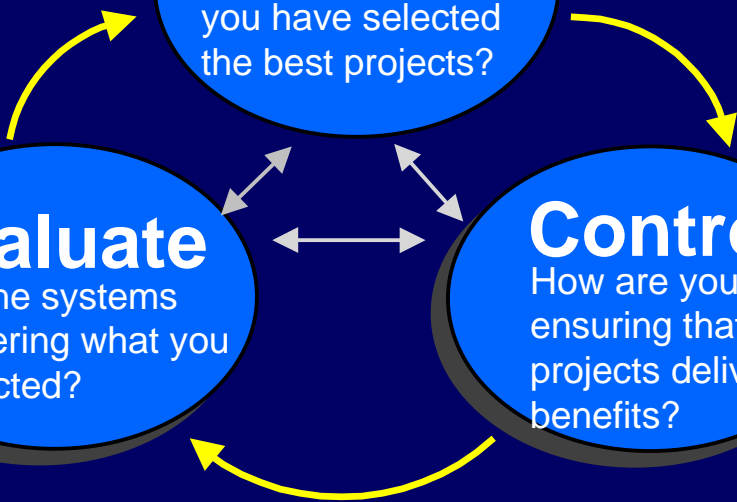
US Government Reforms

GPRA
Government Performance and Results Act

Results management orientation

ITMRA
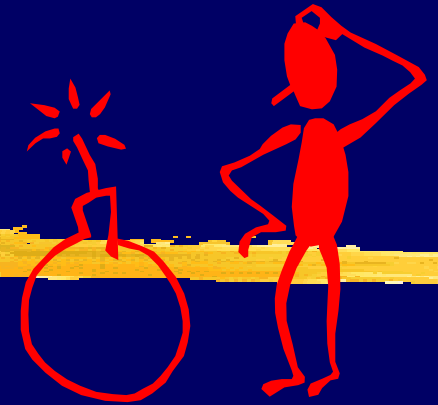Information Technology Management Reform Act

Information and technology assets

CFO
Chief Financial Officers Act

Financial management & accountability

Public/private interaction

FASA
Federal Acquisition Streamlining Act

Problems to Overcome

Snares and Traps!

Based on our case study research of numerous private and public sector organizations, and our reviews of federal departments and agencies in the federal government……….some common problems have emerged to be on guard against.
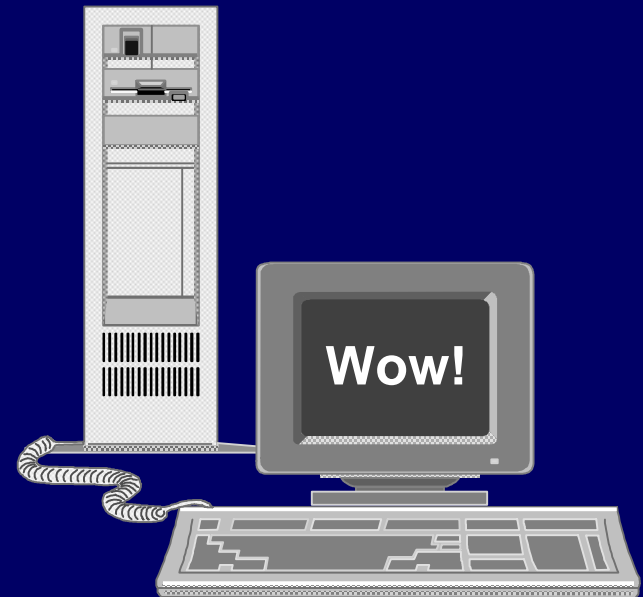
Lessons Learned

Mistake #1

Disregarding the risks that threaten successful IT project outcomes

Lessons Learned

Mistake #2

Assuming technology is the answer to existing problems without fully understanding what performance value it adds

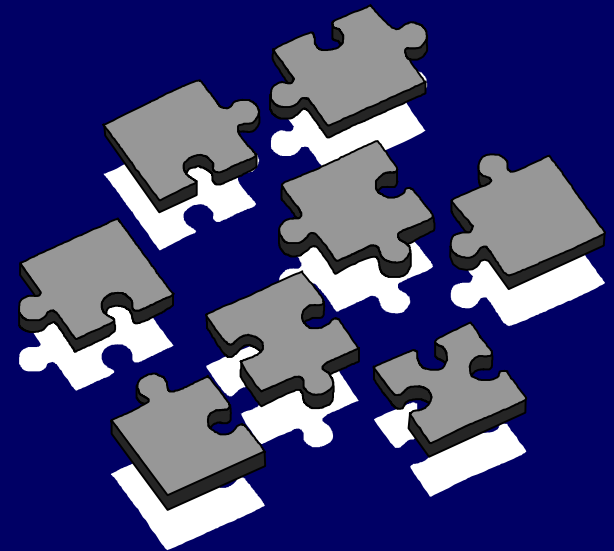**Wow!**

Lessons Learned

Mistake #3

Failure to ensure joint ownership and accountability for IT project results between line managers and IT professionals
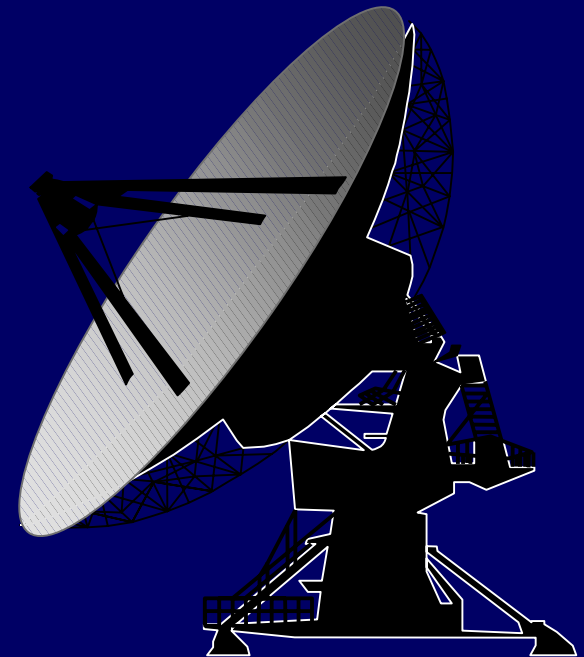
Lessons Learned

Mistake #4

Making IT investment decisions piecemeal rather than within the context of the whole organization
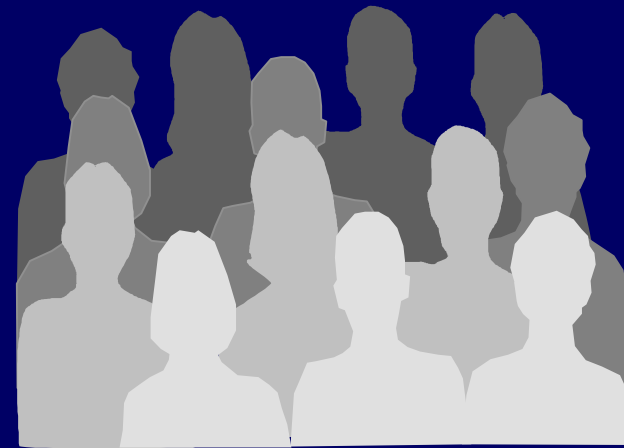
Lessons Learned

Mistake #5

Failing to recognize the central importance and challenge of investing in IT infrastructure
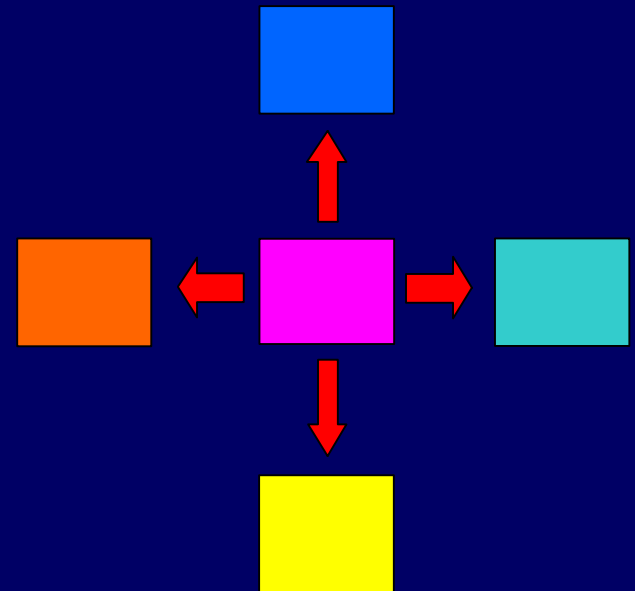
Lessons Learned

Mistake #6

Failing to recognize the critical need for top class IT project management skills, systems development methods, and project-level controls

Lessons Learned

Mistake #7

Not deciding what IT products and services to maintain and manage centrally and what to distribute to business units or divisions

Lessons Learned

Mistake #8

Failing to regularly measure actual cost and benefit results, compare against estimates, and act accordingly.
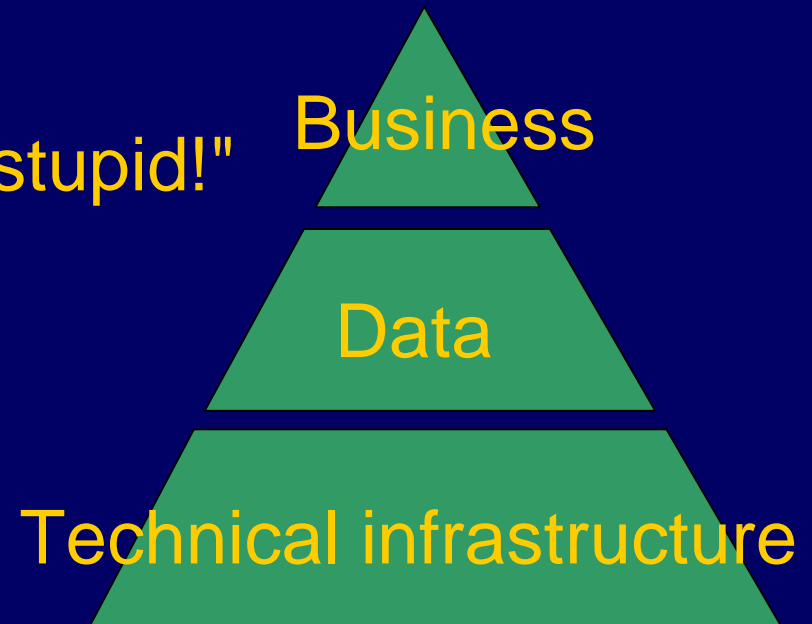
Lessons Learned

Mistake #9

Believing that IT problems are primarily attributable to technical deficiencies rather than poor management, bad processes, and managerial relationship breakdowns

Lessons Learned

Mistake #10

Forgetting that
"It's the architecture, stupid!"

Business

Data

Technical infrastructure

Getting Started and Getting Better

→ Use integrated project teams (business and IT)

→ Energize a senior level IT investment group

→ Combine good tools **with** good, reasonable processes

→ Attack cost, benefit, and **risk** data shortcomings quickly

→ Overcome cultural barriers with rotational experiences

→ Plan projects in useful segments with short durations

→ Define your existing IT assets (systems, hardware, applications, people)

→ Define baseline performance and track trends

Some Good Results

→ Customer support systems reduced from 70 to 1 and number of people involved in resolving inquiries from 16 to 1.

→ Increase from 50% to 85% completion rate for projects on time, within budget, at acceptable risk levels, with tangible returns.

→ Three multi-million grants management systems being developed in 3 separate parts of the organization reduced to one effort at almost 1/3 cost.