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10 Commandments for building the ideal IT organization

by Harris Kern

I: Thou shalt partner and align thyself with the business.

IT needs to be organized to rapidly respond to the needs of individual business groups. This requires a planning process tightly integrated with each of the business groups and an enterprise-wide vision within which all of these needs can be met. This can only be accomplished by establishing working relationships at individual and group levels with all business partners.

Business teams, including IT as a "business," work together. Other than enterprise infrastructure, there is no such thing as an IT project. Whether IT is responsible for 10% of the tasks or 90% of the tasks, IT is merely a member of a business team led by a business project champion. All projects require business unit champions and business project champions.

All members of this business team are scheduled with accountabilities and deliverables. Priorities are determined through jointly developed business cases.

All projects are required to build a business case -- a technology case is not sufficient. All business cases are required to discuss alignment of objectives with enterprise objectives. IT is inseparable from the business and requires complete alignment with business goals.

Alignment with the business needs to be more than a strategic plan or a written set of operating principles. The technology organization needs to be set up in a way that allows business alignment to flow as a natural consequence of the way the job is done.

IT has become mission critical and needs to be managed as a strategic asset. Successful IT executives need to consider themselves and convince others to consider them as part of the business -- not separate from the business -- by managing risks and expectations.

II: Thou shalt organize to focus on mission critical

If the organization is not structured properly, then processes cannot flourish, people resources are not effective, and high availability will not be attainable. The secret to properly structuring the organization is to focus on what's mission critical, not the technology. Split your infrastructure support organization into two parts: mission critical and non-mission critical. It's up to you and your customers to determine the difference.

Define the scope of production. Define which system is truly mission critical to the company. How much revenue will be lost if that system is down for a given number of minutes? Don't proclaim everything as mission critical. Be frugal. If you try and take on the world, you will surely fail.

So many companies structure their organization to support a particular technology. Whether you run your business on NT, Unix or something else, *never* structure to focus on a particular technology. This is one of the most common mistakes. IT should always structure to support reliability, availability and serviceability (RAS) while focusing on customer service. RAS was and still should be synonymous with mission critical. With RAS and customer service as the foci of your organization, the entire computing environment will flourish.

III: Thou shalt build and cultivate relationships inside and outside the enterprise.

Good relationships are critical for good partnerships. Relationships need to be continually nurtured, become institutionalized, and grown beyond individual relationships to departmental relationships. The relationship must be viewed as value-added. A partner's perspective and needs must be anticipated. A good partner answers a question before it's asked.

Relationships, while strongly encouraged on an individual level, need to be understood on a group level. For example, if a particularly difficult partner has been unable to connect with the IT staff, the technology department must recognize this and take steps to forge the right relationships. This should require senior technology managers to identify the sources of the relationship problem and proactively correct them. This may involve issues of competence, mutual respect, credibility, business knowledge and perspective, communications and so on. Relationships are not built overnight and require patience and consistency.

IV: Thou shalt design an infrastructure that's a competitive advantage

As mentioned previously, IT organizations have been labeled cost centers, and IT infrastructures are the main reasons for this much-deserved label. In the 1980s, most of IT's customers abandoned the centralized infrastructure support organization to develop and deploy their own client/server applications.

Centralized IT was too bureaucratic and costly. Today, those same customers have felt the pain of trying to support their own mini-IT operations and, quite frankly, are willing to give up their part-time technology/infrastructure support roles. They need help, but in order to win over their business, IT still must re-engineer itself to provide a better level of service by:

Clearly recognizing, demonstrating and delivering value in line with the business

Replacing or outsourcing inadequate, under-performing IT operations

Satisfying rapid ramp up and/or multi-location infrastructure requirements

Gaining or maintaining market advantage with leading-edge technology and services

Reducing IT support costs/improving cost controls

A new approach is for IT to become an internal service provider by:
Aligning behaviors, processes and technologies along value streams
Transitioning back-office IT into a full-scale development and support environment
Architecting and implementing complex networks and hosting environments that applications require
Satisfying demanding new service levels
Converting the IT staff's mindset from "internal support" to that of a service provider

Once IT has its infrastructure in order, IT needs to advertise its services. Yes, services are what matters. People need business problems solved -- not technology offerings to admire. Once you transition your infrastructure to that of a service provider and get the house in order, customers will come.

V: Thou shalt focus on the customer

There are four elements that are key to providing good customer service:
Identify your key customers
Identify key services of key customers
Identify key processes that support key services
Communicate with customers often via a process

Don't just talk about improving communication, and don't just rely on monthly or quarterly get-togethers. Network computing has destroyed whatever little communication there was between IT and its customers and internally within IT. A process that promotes and instills effective communication practices on a daily basis has to be implemented.

The primary function of the Production Acceptance process (which will be discussed in a future column) is to promote effective communication practices for deploying, implementing and supporting mission-critical systems. It is the most critical process to improve communications between IT and the business -- and within IT especially between applications development and operational support.

VI: Thou shalt honor time-tested disciplines (standards, processes, etc.)

- Processes shall be streamlined!
- Implement minimum yet sufficient
- Centralized control

Whether your company has a mainframe environment or not, it is crucial to understand the importance of mainframe disciplines, processes, procedures, standards and guidelines. In the age of distributed everything to everywhere, disciplines are more important than ever. But you cannot simply transplant mainframe disciplines into network computing environments. You need to customize and streamline these disciplines so they can manage a modern, chaotic, heterogeneous infrastructure. By necessity the mainframe environment was large, complex and enjoyed the luxury of timely planning. Today's network computing environments need the same type of structure and discipline with more streamlining.

There are many system management processes to implement, but please don't attempt to take them all on unless you have an unlimited resource pool.

Implement the handful that is most critical to your environment. From the 200 companies (Fortune 500 and Global 2000) I've studied, very few have the most critical set of processes, and if they do many of them are not very effective.

Develop minimum yet sufficient enterprise-wide standards, architectures, documentation, etc., for each area of IT, including the network, data center, desktops, development tools, nomadic computers, servers, and so on. You need standards for today, and clear statements of direction for your standards, environments, platforms, paradigms or architectures (you pick the buzzword) for the future.

Centralized control means controlling costs by developing architectures, and deploying standards from a central location, for example:

Global Standard Network

Global Standard Desktop Hardware

Global Standard Desktop Operating System

Global Standard Desktop Application Suite

Global Standard Virus Scanning

Global Standard Server Hardware

Global Standard Server Operating System

Global Standard Data Backup

Global Standard Messaging & Collaboration Platform

Global Standard Monitoring

Global Standard Remote Access
Global Standard Development Database
Global Standard Application Distribution Platform
Global Standard Development Methods and Tools

Without standards and centralized control of key enterprise-wide processes, it will be futile to build a cost-effective world-class organization.

VII: Thou shalt demonstrate and convey the value of IT throughout the enterprise.

Today's IT professionals need to walk with the great unwashed and communicate with customers. We need to schmooze, sell and otherwise promote our services. IT organizations need to sell to their business colleagues the fact that IT can and should be leveraged for business value and growth. True commitment requires educated understanding. It is the job of the CIO to demonstrate the relationship between the understanding of strategic technology initiatives and the long-term success of the firm. If executive management fails to see the value of their involvement, it is the CIO's role to change that perception or to think about his next career move.

Value should be quantifiable and measurable. It is best to communicate value in its simplest recognizable form. Check out the difference between the two ads:
Unedited version: *We built a robust, flexible Editorial platform that is scalable and automates the editorial process utilizing redirect ional metadata technology to deliver abstract, encapsulated information.*

Value Communication Version: *We built a reliable and flexible Editorial tool that gathers, presents and delivers customized information to our clients. The tool reduces product creation time by 40% and can deliver information in any industry standard format without requiring technical intervention.*

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 must be taught to recognize their business contributions. All need to understand their business partner's concerns and address them both formally and informally.

VIII: Thou shalt establish and uphold a common set of shared values.

Values are guiding principles, basic beliefs that are the fundamental assumptions upon which all subsequent actions are based. Quality of life leads to success. As a whole, values define the personality and character of an individual or a group. Values are the essence of an individual or group and provide guidelines by which to make consistent decisions. In reality, values are ideals that are indicative of one's vision of how the world should work.

These values form a contract between the individuals and the group. If all staff members are making decisions based upon the same values, it is more likely that:
Delegation of responsibility and authority will function effectively.
Thousands of individual decisions will converge in a consistent strategy.
Synergies will be realized.
Partnerships will prosper.
Productivity will accelerate
Retention will never be a problem.
The firm will reap large profits.

Appropriate values inexorably lead to principled actions and a high quality of life. It's a guide to hiring decisions; they establish a common culture; they foster strategic decision-making (even short-term tactical decisions made by guiding principles are strategic); and they lay the groundwork for internal consistency.

IX: Thou shalt focus with the same intensity on organization, people and process components as thou doest on technology and development!

Please give non-technology initiatives equal billing!

X: Thou shalt measure and benchmark!

If you don't know the numbers, you can't cost-effectively manage the environment. IT professionals need to focus on two objectives: The first is improving the efficiency and effectiveness of IT, that is, getting more things done faster and better with the same or fewer resources. The second is demonstrating the value of IT to the enterprise. The key to both of these is measurement. In the first case, IT performance is measured so that there is a benchmark against which to improve. In the second case, measures are used that connote value, whether

that value is expressed in reducing the cost of doing business or in new revenue streams that are the direct result of an investment in information technology.

Metrics by themselves provide little value -- it's how the metrics are implemented, reported and acted on that differentiates successful measurement programs from failures.