

expertON

G R O U P

E X P E R T S O N D E M A N D

IT Leadership Program 2011



Luis Praxmarer

CEO & Global Research Director
Experton Group FZ-LLC

luis.praxmarer@experton-group.com



Overview

- Back in 2006, Experton Group designed an IT Leadership Pyramid that enabled us to focus on key challenges that IT CXO's face. Ironically, although a lot has changed in IT since that time, this approach is still relevant.
- Over the next 10 months, Experton Group will present topics and explore the various challenges, best practices and developments in each of these areas.
- IT leaders are facing an increasingly number of new and progressively more complex challenges each and every year – and 2011 is certainly no exception.
- Experton Group has developed a model, the IT Leadership Pyramid, which encompasses what we have surmised as the overarching disciplines that IT leaders must acknowledge and embrace to provide effective leadership for their IT organizations and their enterprise for the remainder of this decade.
- Experton Group assists our clients to achieve their business objectives through the appropriate application of people, process and technology. To that end, Experton Group has designed a multi-faceted Leadership Program that starts with informational services, leading to assessment, action planning and implementation.

Perspectives on Leadership

- A definition of Leadership from World Wildlife Fund CIO Gregory Smith:

Five Leadership Imperatives for CIOs today

1. *Drive innovation and growth while managing costs*
2. *Prove the strategic value of IT*
3. *Run IT efficiently and effectively*
4. *Develop the next generation of IT leaders*
5. *Manage CXO expectations*

- Two perspectives on Leadership from renowned management guru Dr. Peter Drucker:

- *“One does not ‘manage’ people. The task is to lead people. And the goal is to make productive the specific strengths and knowledge of each individual.”*
- *“The foundation of effective leadership is thinking through the organization’s mission, defining it, and establishing it, clearly and visibly... The second requirement is that the leader sees leadership as responsibility rather than as rank and privilege... The final requirement of effective leadership is to earn trust.”*

How to proactively respond to questions from your executive team like the following:

1. How do you effectively describe the services that you deliver to your internal clients?
2. What policies and procedures are currently in place to identify and classify sensitive information including customer credit data; and employee social security numbers, bank accounts, and medical records?
3. How do you effectively manage the complexity and cost of your IT operations?
4. How do you decide what project initiatives you should be driving?
5. How do you know if you have optimized the assignment of your human resources throughout the IT organization to support our enterprise?
6. How do you know if you are optimizing the value that your key vendor partners are delivering to your enterprise?
7. How does the efficiency and effectiveness of your operation compare to peer IT organizations across our industry?
8. What processes have you implemented to ensure alignment with the strategic goals of your enterprise?
9. Who in our organization should be making decisions regarding new information and communications technology investments?
10. How can we measure the value and return that we are deriving from our investments in information and communications technology – i.e. why should the IT organization be recognized as a strategic versus support function for our enterprise?

Experton Group IT Leadership Pyramid

The Road to IT Excellence

Ready for the Board Room



IT leaders that are able to adeptly and continuously prioritize and focus on these ten dimensions will be positioned as effective leaders for their enterprise with optimized resources to support delivery of information and communications technology products and services.

Enterprises that engage their IT executives as an enterprise leader in all critical business decisions and strategic initiatives are truly positioned to capitalize on their IT investments for strategic competitive advantage.

Informational Offering

- During 2011, Experton Group will focus on each of ten elements within the Leadership Pyramid hosting webinars and delivering research notes as follows:
 1. Service Management January 2011
 2. Compliance Management February 2011
 3. Operational Management March 2011
 4. Portfolio Management April 2011
 5. Organizational Effectiveness May 2011
 6. Partner Management June 2011
 7. Metrics & Marketing July 2011
 8. Strategic Planning August 2011
 9. IT Governance September 2011
 10. Enterprise Leadership October 2011
- At the end the client will receive a binder with the combined material

Additional Offerings

■ Assessment

- Experton Group offers assessment services designed to evaluate the maturity of each of these components within your organization. These consist of one-day workshops where information is collected and then compared against maturity models/best practices to identify “gaps”. Finally, a set of recommendations is presented to close those gaps.

■ Action Plans

- Once the assessments are completed, Experton Group can assist in the development of action plans that are specifically tailored to your organization. These take into account resources, budgets, timelines, etc.

■ Implementation

- Experton Group’s “experts” have decades of project management/implementation experience across various industries, projects, etc. We can help provide focus and direction where, sometimes, internal resources can’t.

- Informational Package:
 - Research Note per month (see schedule)
 - Webinar per month
 - Maturity template
 - Presentation
 - Binder with the annual summary of the IT Leadership Program 2011
- Informational Package + Quarterly Maturity Assessments:
 - 4 Maturity Assessment Workshops (one per Quarter, ½ day onsite)
 - 2-3 Elements of the IT Leadership Pyramid per assessment
 - Final Leadership Maturity Assessment
 - Recommendations & Action Plan 2012
 - Unlimited Telephone Support during 2011
- Single Maturity Assessment: (3-4 hours onsite + travel cost)
- Single Action Plan: (3-4 hours + travel cost)

Example of the 2006 Program Content

IT Leadership Pyramid



CONTENT

0	CIO LEADERSHIP DIMENSIONS	5
0.1	Executive Summary	5
0.2	Experton IT Leadership Pyramid	5
1	SERVICE MANAGEMENT	10
1.1	Service Management Overview	10
1.2	IT Services-Orientation	11
1.3	IT Services Catalog	11
1.4	IT Infrastructure Library	12
1.5	Service Level Agreements	15
2	COMPLIANCE MANAGEMENT	16
2.1	Compliance Management Overview	16
2.2	Call to Action – 10 Steps to Follow	18
3	OPERATIONAL MANAGEMENT	22
3.1	Operational Management Overview	22
3.2	Operational Challenges	23
3.3	Change Management	23
3.4	Financial Management	24
3.5	Project Management	24
3.6	Quality Management	26
3.7	Call to Action	27
4	PORTFOLIO MANAGEMENT	31
4.1	Portfolio Management Overview	31
4.2	Background	32
4.3	Interoperability Requirements	33
4.4	Vendor Solution Evaluation Criteria	34
4.5	Portfolio Management Vendor Solutions	34
4.6	Portfolio Management Reporting Illustrations	35
4.7	Call to Action	36
5	ORGANIZATIONAL EFFECTIVENESS	41
5.1	Organizational Effectiveness Overview	41
5.2	Key Challenges	42
5.3	Performance Management Process	42
5.4	Leadership	44
5.5	Call to Action	45
6	PARTNER MANAGEMENT	50
6.1	Partner Management Overview	50
6.2	Maintain a Win-Win-Win Partnership Strategy	51
6.3	Vendor's Perspective: "The Ideal Client"	52
6.4	A Partner versus a Vendor	53
6.5	The Critical Role of Enterprise Architecture	54
6.6	Business Partners and Outsourcing	54
6.7	Supply Chain Optimization	54

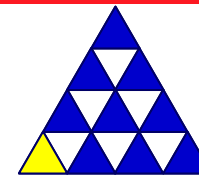
IT Leadership Pyramid



6.8	Objective Vendor Products & Services Analysis	54
6.9	Call to Action	55
7	METRICS & MARKETING	60
7.1	Metrics & Marketing Overview	60
7.2	Dashboards and Scorecards	61
7.3	Balanced Scorecard Overview	62
7.4	Sources of Metrics	63
7.5	Essential Elements for Marketing	64
7.6	The Marketing Four P's for IT	65
7.7	Technology Solutions	66
7.8	Developing an IT Scorecard	66
7.9	Call to Action	68
8	STRATEGIC PLANNING	72
8.1	IT Strategic Planning Overview	72
8.2	Benefits Derived from IT Strategic Planning	73
8.3	IT Strategic Planning as an Integral Core Business Process	74
8.4	Formula for Successful ICT Strategic Planning	75
8.5	Experton ICT Strategic Plan Table of Contents	76
8.6	Enterprise Architecture Defined	77
8.7	Guiding Principles for Developing an EA Program	77
8.8	IT Enterprise Architecture Planning Horizons	78
8.9	Planning Models and Frameworks	79
8.10	Enterprise Architecture Maturity Models	80
8.11	Call to Action	80
9	GOVERNANCE	84
9.1	IT Governance Overview	84
9.2	Criticality of IT Governance	85
9.3	Why Place an Emphasis on IT Governance?	85
9.4	Making the Right Decisions	86
9.5	The IT Governance Process	87
9.6	Key Interrelationships	89
9.7	Additional Resources	89
9.8	Call to Action	90
10	ENTERPRISE LEADERSHIP	94
10.1	Enterprise Leadership Overview	94
10.2	The Fundamentals	95
10.3	The Innovation Factor	96
10.4	Reporting Relationships	96
10.5	Emergence of the Enterprise CIO	97
10.6	Call to Action	98
10.7	A Definition of Leadership	101
11	APPENDIX – COMPANY PROFILES	104

Detailed Description of the 10 Elements

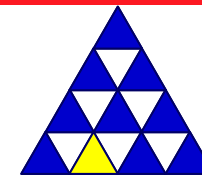
1. Service Management January 2011
2. Compliance Management February 2011
3. Operational Management March 2011
4. Portfolio Management April 2011
5. Organizational Effectiveness May 2011
6. Partner Management June 2011
7. Metrics & Marketing July 2011
8. Strategic Planning August 2011
9. IT Governance September 2011
10. Enterprise Leadership October 2011



1. Service Management

- Experton Group defines **Service Management** as the process of delivering core IT services to meet your customer's requirements. Service management includes introspect and a focus on defining the core services that the IT organization delivers to internal clients within organization. Many organizations today are leveraging the **IT Infrastructure Library (ITIL)** collection of best practices as a model to optimize their Service Support and Service Delivery functions within their organization – or as a method to define their **Service Level Agreements** with their outsource providers along with their internal clients.
- Being able to clearly define and communicate the services that an IT organization provides to its internal clients is the foundation to effectively managing client expectations – and to position the IT organization from a reactive state to proactive business leader.

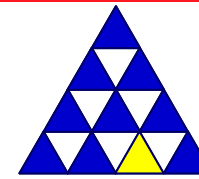
2. Compliance Management



EXPERTON
G R O U P

- Experton Group defines **Compliance Management** as the process of adhering to business, financial, and other regulatory requirements prescribed by internal and external stakeholders. Compliance Management is a critical challenge that continuously confronts IT leaders today. Many organizations are required to comply with dozens if not hundreds of regional, national, federal, state, and local regulations with little acknowledgement and empathy of the resource impact from key stakeholders. IT organizations play a vital role to ensure compliance with virtually all regulations as digital information is often times a critical component.
- Information is at the heart of the target of many regulations thus placing IT organizations in a critical and essential role in organizational compliance initiatives. There are thousands of regulations in place today that require vigilant monitoring to ensure that the intent and letter of the law is followed. Regulations in the US like the Sarbanes-Oxley Act; Basel II; Gramm-Leach-Bliley Act; and the Health Insurance Portability and Accountability Act (HIPAA) have placed a tremendous burden and strain on organizations to monitor and maintain compliance.
- IT organizations are positioned today to play a critical leadership role in ensuring adherence to regulatory requirements including implementing effective risk management and business continuity programs; providing leadership for enterprise process institutionalization; identifying cost effective tools for effective security defenses, proactive compliance monitoring, and information transparency; and promoting effective training and communications throughout the organization.

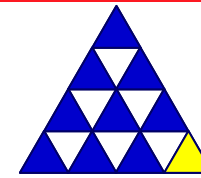
3. Operational Management



EXPERTON
G R O U P

- Experton Group defines **Operational Management** as the process of effectively integrating and managing core IT processes to support and deliver customer solutions. Operational Management is a critical challenge that confronts IT leaders on multiple fronts on a continuous basis. Experton Group defines Operational Management as the overarching process to effectively and efficiently integrate and manage core IT processes to support and deliver customer solutions.
- Effective operational management is the art of providing leadership to deliver an effective balance and interdependence of **Change Management, Financial Management, Project Management, and Quality Management** across the enterprise. One of the critical imperatives is to establish project management as a core competency within the IT organization by ensuring that project leaders are properly trained and world-class best practices are implemented and adhered to throughout the organization.
- Another tremendous opportunity for IT leaders is to position the IT organization as the lead function responsible for leading and institutionalizing successful change within the enterprise. Change management initiatives should effectively balance the overall impact to core business processes; the impact to organizations and people; and cost effective and efficient implementation of information and communications technology to facilitate the change. The bottom line is that IT leaders should strive to develop organizational integrity based on a proven record of delivering sustained predictable results.

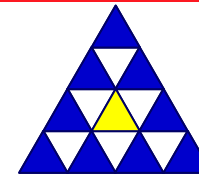
4. Portfolio Management



EXPERTON
G R O U P

- Experton Group defines **Portfolio Management** as the process of blending and balancing business and technological requirements with the resource, financial, and risk constraints within an organization to maximize return on technology investments. Portfolio Management is a complex task that incorporates the process of blending and balancing business and technological requirements with the resource, financial, and risk constraints within an organization to maximize return on technology investments. IT Portfolio Management is founded on proven techniques leveraged in financial management analyses for valuation assessments, risk mitigation, and investment decisions.
- IT portfolio management is typically divided into two categories: Application Portfolio Management and Project Portfolio Management. Some organizations also include IT Asset Management or **asset portfolio management** under the umbrella of enterprise portfolio management. Portfolio management techniques from the financial services industry are now widely accepted as the best practice for managing information technology investments.
- **Application portfolio management** incorporates the categorization, analysis, and rationalization of the enterprise information technology investments over the previous years or decades. There are numerous tools available today to ensure that IT resources are being leveraged to effectively gain the optimal value from legacy applications.
- **Project portfolio management** techniques provide organizations with a methodology to categorize, analyze, and organize new IT investment opportunities in strategic alignment with the organizational priorities and goals. As more demands and higher expectations are placed on IT organizations – these collaborative and metrics-driven governance techniques help to ensure that IT organizations are delivering the highest value possible.

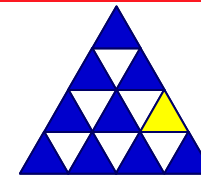
6. Partnership Management



EXPERTON
G R O U P

- Experton Group defines **Partnership Management** as the process implemented to effectively manage vendor and business partner relationships to maximize the return on investment for the products and services acquired. Supplier, vendor, and business partnership relationships are a vital element of virtually every enterprise.
- Partnerships are rarely successful without a conscious investment of time, energy, commitment, and resources from all vested parties. Effective vendor partnerships are essential for every IT organization today.
- Many IT organizations have to deal with dozens if not hundreds of vendors to supply key components for foundational and strategic technology solutions.
- IT leaders need to categorize and stratify their vendors to maximize return on their internal resource investments. Partnership relationships should be carefully structured so that all parties are successful if each participant meets or exceeds their obligations within the relationship.

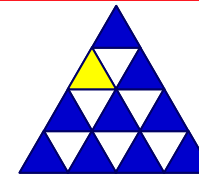
7. Metrics & Marketing



experton
G R O U P

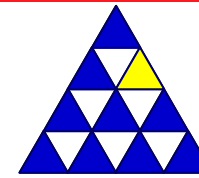
- Experton Group defines IT **Metrics Management** as the process of monitoring and measuring the actions, results, and deliverables from an IT organization with the ultimate goal of communicating the value that the IT organization provides to the enterprise. The dimension that includes IT Metrics and IT Marketing Management is quite extensive. There are potentially thousands of processes, events, infrastructure assets, business systems, and project initiatives to manage and monitor. Identifying, measuring, managing, and communicating the right metrics is a critical and vital element to changing perceptions of an Information Technology organization from a cost center to a strategic and essential service provider for the enterprise.
- As is common knowledge, data does speak volumes regarding the effectiveness of an IT organization in respect to the actions, results, and deliverables from the team. When accompanied with the ability to communicate results effectively in business terms that your internal clients can readily recognize and understand – it can be a remarkably powerful tool for an IT leadership team.
- Experton Group defines **Marketing Management** as the process of proactively managing client expectations regarding the products and services delivered by an IT organization. As is common knowledge – data does speak volumes regarding the effectiveness of an IT organization in respect to the actions, results, and deliverables from the team. When accompanied with the ability to communicate results effectively in business terms that your internal clients can readily recognize and understand – it can be a remarkably powerful tool for an IT leadership team.
- Effective marketing of the IT organization positions IT leaders to proactively manage client expectations and perceptions of the products and services delivered. There are numerous illustrations of best practices available today regarding communicating results – including utilizing dashboards and scorecards. When these tools and techniques are reinforced with effective marketing techniques – it can be an extraordinarily powerful method to position the IT organization for critical and strategic leadership opportunities.

8. IT Strategic Planning



- Experton Group defines **IT Strategic Planning** as the process to integrate and align the plans for introducing and managing information and communications technology with the long-term plans, goals, and objectives of the enterprise. Strategic plans act as a blueprint and roadmap for an enterprise. An IT Strategic Planning process facilitates aligning IT strategies and actions with those of the enterprise while maximizing the leverage that an enterprise can derive from their investments in information and communications technology (ICT). Experton Group believes that effective IT Strategic Planning processes drive informed, conscious, and fiscally responsible decisions regarding the use of information technology within the enterprise.
- An effective strategic planning process enables an IT organization to integrate and align the plans for introducing and managing technology with the long-term plans, goals, and objectives of the enterprise. IT strategic plans are the deliverables from the alignment and integration of enterprise and IT planning. Sound strategic planning processes provide optimal return on technology investments simultaneously with lowering the overall cost of ownership for IT assets.
- Technology decisions are made daily within virtually all organizations – but are the IT leaders making “conscious” decisions within a prescribed framework? A fundamental and critical component underlying an effective strategic plan is an **Enterprise Architecture** program. An enterprise architecture program incorporates a process of managing the framework and guidelines to ensure that an organization’s technology-related decisions are intentional and optimized in alignment with the strategy and goals of the enterprise. Effective enterprise architecture programs result in IT leaders having a comprehensive understanding and appreciation of the impact and ramifications of technology decisions.
- An effective strategic planning process enables an IT organization to integrate and align the plans for introducing and managing information and communications technology with the long-term plans, goals, and objectives of the enterprise. IT strategic plans are the deliverables from the alignment and integration of enterprise and IT planning. Sound strategic planning processes provide optimal return on technology investments simultaneously with lowering the overall cost of ownership for IT assets.

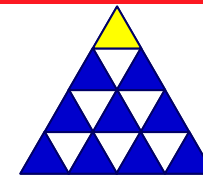
9. IT Governance



experton
G R O U P

- Experton Group defines **IT Governance** as the process to ensure the optimal prioritization and strategic alignment of information and communications technology decisions across the enterprise. Effective enterprise-wide governance processes are essential to managing the significant on-going investments in information and communications technologies on an annual basis. Experton Group believes that effective IT governance-based processes ensure the optimal prioritization and alignment of technology-related decisions and resources within the enterprise.
- Effective IT governance programs should be based on a comprehensive set of policies to guide consistent decision-making. The process to implement IT governance within the enterprise must be fully integrated with the portfolio management, enterprise architecture, and strategic planning processes. Effective IT governance assumes that project teams are accountable for prescribed results and requires consistent enforcement of policies and technology decisions.

10. Enterprise Leadership



experton
G R O U P

- Experton Group defines **Enterprise Leadership** as the process of collaboratively planning and delivering strategic leadership for the enterprise. Many 21st century IT Leaders are challenged today to provide leadership as a vital and essential functional executive – leveraging the unique comprehensive enterprise perspective that many IT organizations and IT leaders have the privilege to hold. Information and communications technologies are integral across every aspect of your enterprise – whether a Global 2000 commercial firm, public or private university, public sector agency, or small to medium business.
- At the top of the IT Leadership Pyramid is the “Enterprise Leadership” dimension. If the IT executives have demonstrated that they are effective in managing the other nine dimensions within the pyramid – including a perception that the IT organization is closely aligned and integral to the goals and objectives of the enterprise – the IT leaders are in an enviable position to capitalize on their unique organizational vantage point and provide critical strategic leadership for their enterprise.
- IT leaders who have reached this stage are integral to all executive business decisions and are empowered and accountable for leading change for the enterprise. It is at this juncture that IT leaders are challenged to provide leadership for the ***Business of Technology*** and not a staff or support function.