

# The IT Strategy Management Process

Supporting IT Services  
Through Effective Knowledge  
Management

Eugen Oetringer

# Table of Contents

Introduction	7
Chapter 1 – Today’s Challenges	9
Chapter 2 – The Solution	15
Chapter 3 – Benefits of the IT Strategy Management Process	19
Chapter 4 – Process Layers	31
Chapter 5 – Avoiding Pitfalls	33
Chapter 6 – The Business Case	37
Chapter 7 – Meeting the itSMP Objective	41
Chapter 8 – The IT Strategy Management Process	43
Element 1: Technology Repository/Definitive Document Library	43
Element 2: The Technical Community	79
Element 3: Incentive Techniques	93
Element 4: Integration Between Elements	102
Element 5: The Right Balance	105
Element 6: Ground Rules	107
Chapter 9 – The Document Life Cycle	109
Chapter 10 – Conclusion	113
Appendix A: Technology Repository Requirements	115
Appendix B: Directive Examples	119
Appendix C: Frequently asked Questions	127
Appendix D: Glossary	133
Appendix E: Figures	135

# Introduction

## **Background and Applicability**

During the 1980s and the early '90s one manufacturer's computers dominated data centers around the world. At the time, information technology (IT) was thought to be something complex, and difficult to direct and manage. Looking back on those days, it appears it was relatively simple.

Today, corporate and government organizations are faced with a large variety in IT choices, technology changing at an incredible speed and ever-increasing complexity. For medium and large companies, these factors alone create enormous challenges, and yet it isn't IT that matters. What matters is the well-being of the business function supported by IT, the speed at which the business function can be adapted to new developments and how quickly innovation can be brought to market. In effect, the agility with which an enterprise adapts to changing market conditions can be key to its survival.

Because of the importance of agility, the company that more effectively manages its IT is in a better competitive position. An important piece of the puzzle are the structures to direct and manage IT in an optimum way while positioning it for quick – but smooth – changes.

Typically, processes and quality management systems (QMSs) provide structure to better direct and manage complex IT environments. Most well known are those processes defined under the umbrella of ITIL® (IT Infrastructure Library), which is published by the Office of Government Commerce (OGC) in the United Kingdom. Among others, ITIL outlines the processes for service level management, configuration management, problem management, change management, availability management and capacity management.

These processes and related QMSs bring structure into most parts of the data centers, and may describe the processes for application development organizations and for the central IT organization. However, they are insufficient to address the complexities of the relationships needed between the many processes, organizations, departments and locations. Complexity leads to complications such as confusion, unnecessary cost and delays, as well as project failures. Obstacles resulting from independent departments, cultural differences, country barriers and so forth may further complicate things. Something is needed to “glue” them together at a fundamental level. This publication addresses that issue and attempts to meet this objective:

**Provide the fundamental structures that continuously push for creating, using and executing well-balanced, smart, complete and up-to-date IT Directives<sup>1</sup> and solutions throughout corporate and government organizations.**

This objective may look ambitious, because it may suggest the need for extensive integration into organizations and processes - which makes implementation a high-risk project. The IT Strategy Management Process avoids extensive integration by keeping the solution as simple as possible while positioning it as a lead process to other processes and to organizations. Moreover, this publication describes the critical pieces to a level that helps IT management, process specialists and senior technical staff understand what is required to *make things happen*. Special attention is given to practical aspects such as human interaction. Through this approach, it may not be obvious that this is, indeed, a process. However, it does meet the ITIL criteria for process.

The objective further implies that the process must cover more than what is traditionally understood by “strategy”. The scope of the IT Strategy Management Process (itSMP) includes implementation instructions to the strategies. Hence, directions, standards, guidelines, best practices and so forth are in scope.

### **Other Areas**

As the IT Strategy Management Process was being developed, the following question was raised many times: “Can this solution be used for all sorts of documentation – such as for knowledge management, intellectual capital and risk management – instead of only the rather limiting scope of IT?”

In principle, we expect the itSMP can be applied to areas other than IT, as it only concentrates on the most fundamental structures. There also is the possibility of using it between corporate and government organizations. These other areas will have slightly different needs that have not yet been investigated.

<sup>1</sup> Strategies and their implementation instructions such as directions, standards and so forth

# Chapter 1 – Today’s Challenges

In the introduction, we briefly touched on the challenges surrounding IT. Gaining high-level perspectives of the predominant IT challenges is a good starting point.

## Major IT Challenges

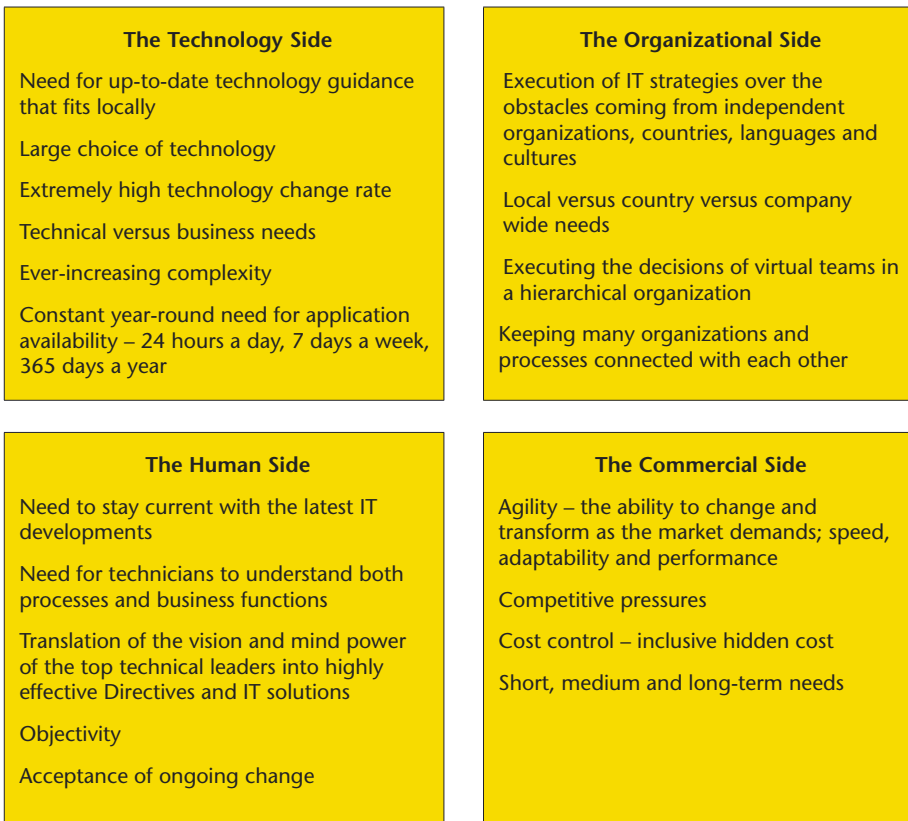


Figure 1: Challenges

The real difficulties, however, don't come from the individual challenges but from their combination and the resulting complexities. For example, as applications are linked and their up-time requirements move toward 24x7x365, the opportunities to upgrade hardware or software are dramatically reduced. Meanwhile, IT vendors eliminate support of older products, and competition demands urgent upgrades to the business function, requiring IT to adapt quickly. The whole is further complicated by cost-saving initiatives, viruses,

immature software/hardware and so forth. This leads to the following question:

**What fundamental structures must be in place for IT to be directed and managed across the enterprise in a way that delivers optimum value?**

The first step to finding the answer is to understand the root causes and underlying issues that may exist. There are a number of possibilities:

**Root Cause 1: Too many repositories**

- Multitude of different Web places and repositories to use
- Different look and feel to each repository
- Unclear applicability of content
- Unclear importance of content
- Lost trust in repositories

**Root Cause 2: Documentation quality**

- Lack of documentation standards
- Unsuitable wording and document structures for compliance verification
- Insufficient background information to understand why the strategy makes sense
- Out of touch with user needs
- Outdated material
- Insufficient information about the document's current status
- Lack of technological guidance
- Lost trust in documentation

**Root Cause 3: Lack of process between development and production**

- Confusion resulting from the lack of integration between development and production processes and organizations
- Organizational changes creating confusion between development and production
- Unclear approval process
- Bureaucracy for company wide approval needs
- Conflicting directions or solutions from different organizations
- Inadequate structures to ensure needs and feedback are trusted and properly prioritized
- Disregard of important feedback from local to central organizations
- Excessive filtering of technical needs as they go through the management chain
- Broken communication chains
- Unrealistic non-compliance instructions, forcing everyone to ignore them
- Disregard of compliance instructions
- Lack of compliance verification
- Control mechanisms timed too late in an approval process

**Root Cause 4: Information overload**

- Root cause 1+ Root cause 2 + too many internal Web pages + too many external Web pages + too many e-mails
- Web search functions delivering too many hits to find and act on the proper ones
- Inability to distinguish the "relevant" from the "irrelevant" information

<b>Root Cause 5: Cultural differences</b>
Many different cultures Time and effort required to effect culture change Expectation that one's culture will work in foreign cultures Insufficient time to properly review and agree on Directives and solutions "Not invented here" syndrome "Silo" solutions Lost "lessons learned"

<b>Root Cause 6: Lack of investment</b>
Central organization projects perceived to be of insufficient value Central organization cuts due to insufficient value Lack of investment in IT solutions Insufficient budget to solve root causes Insufficient resources to address issues Lack of investment in people and skills

**Figure 2: Root causes and underlying issues**

Following is an illustration of the root causes. Development organizations and development processes try to connect to their counterparts in the production organizations. On the other hand, the production organizations and production processes try to connect to their counterparts in development. The bridge connecting development and production is not suited for easy crossing. The number of direct relationships needed may be too high or other issues from Figure 2 may be the reason. Plus, there are additional pressures such as cost savings that lead to productivity improvement projects and external customers whose needs must be met.

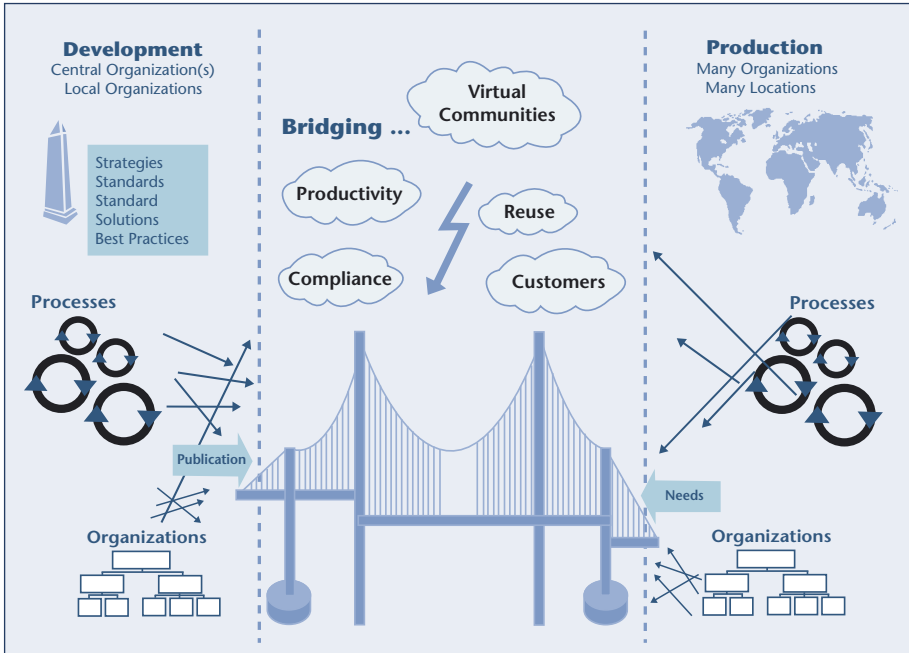


Figure 3: Development and production trying to connect with each other

At this point, let's ask several ambitious questions:

- Wouldn't it make business sense if several of these root causes would be largely solved?
- Wouldn't it make business sense if the company's intellectual capital would be captured and translated into policies, strategies, directions, guidelines, standard solutions, etc., and pushed for execution throughout the enterprise?
- Wouldn't it make business sense if safety nets were provided so issues with policies, strategies, directions, guidelines, standard solutions, etc., were visible to the users and corrective actions triggered?
- Wouldn't it make business sense if the solution to the previous questions were kept simple?

Although a "yes" answer to each question seems ambitious, this is what the IT Strategy Management Process is designed to achieve.