White Paper:

The Importance of IT Process Management

Charles Williams, Senior Managing Partner

Abstract: Developing an overall IT Process Management program is a new, important, and revolutionary perspective for building a more adaptive and agile IT organization.
The Importance of IT Process Management

Because of continuing cuts, many IT organizations are now staffed at maintenance levels. They can no longer throttle their contribution to the balance sheet by eliminating consultants or reducing head count. However, corporate management continues to put pressure on IT to provide additional value. In an effort to meet this and other requirements many IT organizations are seeking new management strategies.

One area that has caught the attention of many IT organizations is the development and execution of an IT process management improvement strategy. Although, to date, only a small percentage of IT organizations have actually executed a formal IT process improvement initiative, those that have succeeded in this area are receiving noticeable and real dividends. By increasing the effectiveness of their internal IT processes, many of these organizations have improved their adaptability to changing business requirements and have developed IT performance measurements that reflect the alignment of technology with business needs. Other benefits have included improved customer relationships, additional staff bandwidth, and lower overall cost of ownership.

Because of the value this has shown, a growing number of IT organizations are exploring how to develop and execute an IT process improvement program. However, for a variety of reasons many have simply not been able to address this issue. Some of the most often cited factors include not having the time, resources, or the skilled personnel to commit to developing a comprehensive IT process management program. And, of course, the budget tightening that has continued over the past few years has forced many IT organizations to focus on other initiatives. IT budgets are increasing, but the history of a high degree of IT failures and seemingly unchecked spending of the late 1990s has had its affect.

So, where does that leave the IT organization that would like to develop and execute an IT process improvement program? The answer is gain a deeper understanding of the value of an IT process improvement program, and to then build the business case that illustrates the value to the business. With the affects on IT of current federal regulation, IT audits and other business drivers IT management can easily make the case that this truly is an essential initiative that must be undertaken. Given these recent factors alone it should be easy for many IT executives to present the business case for an IT process improvement initiative that clearly illustrates how this will enhance the growth and prosperity of the business.

Over Measured and Under Processed

In today’s fast moving and global IT organization, processes are often severely masked by software and systems tools. The extensive use of automated tools to manage the IT environment has created organizations that over-measure the performance of tools rather than the process the tools support. We say, therefore, that IT organizations are “over measured and under-processed.” The reason this statement exists is that many technologists have come to the false conclusion that “the tool is the process.” IT organizations and technologists that fall into this category can be recognized by the number of tools they have but only partially use or, in some cases, don’t use at all. Or, IT organizations that purchase tools for internal processes such as change management, project management, help desk support, etc., without ever developing the process methodology for these IT disciplines. Therefore, buying tools based on the products
generic requirements and process methodology, or even worse re-engineer their internal processes and activities to fit to specifications of the tool. Talk about the tail wagging the dog!

This is often because the underlying IT disciplines, their processes, activities, and associated values, are not understood. However, the real problem lies even deeper than this. It has been our experience that most IT managers have a solid understanding of the technology tools that are used to oversee the environment and deliver the required products and services to its constituency. When asked about the underlying processes of IT disciplines most of these managers will evade any meaningful dialogue about the process or measurement of these processes or the sequence of the activities required by IT staff members or the time required to complete process activities in order to comply with defined or expected service levels required to deliver a specific IT product or service.

To state this in another way, most IT organizations do a very good job of measuring and/or tracking certain aspects of the IT environment, such as database transactions, network uptime, trouble tickets, change requests, and so on. What is missing is the capability to provide the end-to-end measurement and reporting of the IT organization’s transformational processes that govern these and other important process activities.

**Understanding IT Business Processes**

Traditionally, unlike other business units, IT organizations have not employed the depth of engineering principles required to effectively measure and benchmark their internal processes that support “business” processes. In contrast, other business units such as accounting or manufacturing spend a significant amount of time and effort measuring the effectiveness and the business value of their processes.

What IT management often misunderstands is that numerous processes are required to effectively manage the typical technology organization. These include processes to manage customer-facing functions, internal department support, finance, procurement, and asset management, just to name a few of the more obvious ones. The issue is not whether IT has “business” processes, the concern is how they manage and measure the effectiveness and value to the business of these processes.

Recently, CEI and Kedar co-hosted a web seminar that was attended by over 75 technology leaders on the topic of the importance that IT Process Architecture plays in developing an adaptive and agile IT organization. During the seminar, an interactive, online poll of the audience was taken regarding the effectiveness IT process management. The seminar participants were asked the following question: "How effective is your IT process management strategy?" The results of that poll are shown in Figure 1.
It would have been interesting to see the polling results had we asked the question in another way: “How many of you have an IT process management strategy?” It is fair to say that most of the attendees that felt their strategy was ineffective would have probably stated their organizations haven’t developed any real strategy for IT process improvement or management at all.

**Maintaining a Competitive Advantage**

During the past few years leading-edge IT organizations have come to realize that investments in process improvement will result in a better focus on key IT activities with greater payback. IT organizations that manage their performance and contributions to the business bottom-line through effectively developed and managed processes excel in the dynamic and global environment of the future.

IT organizations that have already achieved success in this area are typically better positioned to support the needs of the business, lower costs, and have a positive impact on revenues. Almost without exception, these IT organizations have a well-defined set of objectives and, in particular, focused service levels and priorities. Another common attribute these IT organizations share is a much more formalized process architecture that serves as the foundation for developing an overall IT process improvement and management program.

It is the concentration on the development of a process-driven architecture that serves as the cornerstone for an IT process improvement program that delivers on business objectives, priorities, and mission. This is a new, important, and possibly revolutionary perspective for building a more adaptive and agile IT organization. As best practices in IT process management are tested, proven, and implemented, key components of this program will include building a comprehensive IT process architecture and an ongoing process improvement program.

*by Charles Williams.*

Mr. Williams is an IT professional with more than 20 years of experience as an IT Executive and Consultant. Currently, he is the Senior Managing Partner at Kedar Information Technologies, Inc. ([www.kedarites.com](http://www.kedarites.com)). He has spoken at numerous industry conferences and seminars, and has written several articles and special reports on the IT industry. He can be reached [charles@kedarites.com](mailto:charles@kedarites.com).