



Greenlight Dynamics Incorporated
“Bringing Business and Technology Together”

Run IT Like a Business

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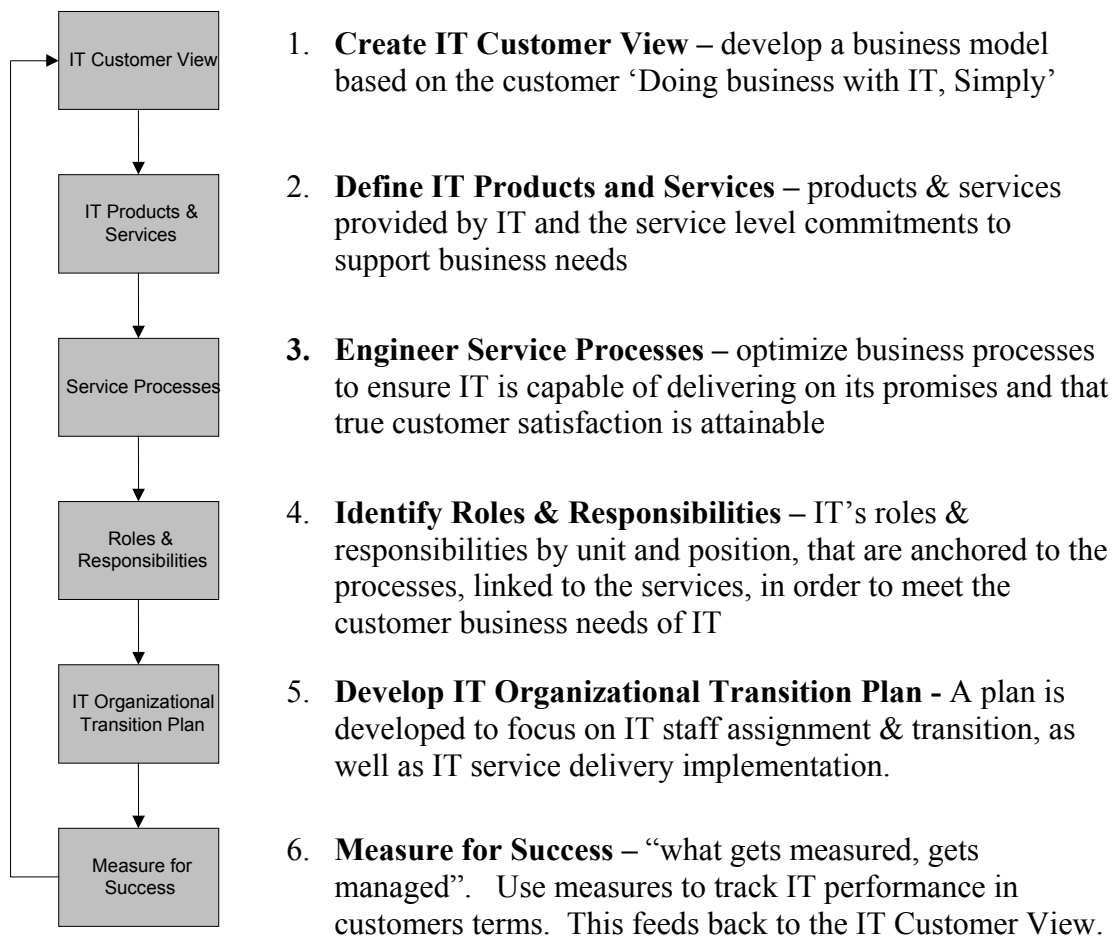


Overview

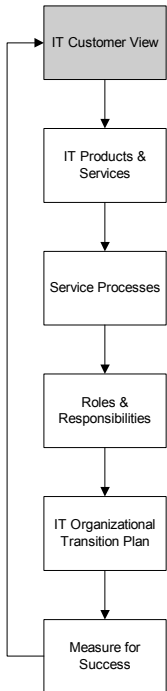
Information Technology (IT) departments throughout public and private sector organizations are under increasing pressure to become much more customer oriented, business savvy, and more responsive to the needs and strategies of the business organization. In the end, IT organizations are being asked to be more accountable and demonstrate their value. They need to “**Run IT Like a Business**”.

To achieve this accountability and the highest level of organizational effectiveness, IT organizations need to utilize an approach based on a **Customer Service Delivery Framework**.

This framework is broken down as follows:



Each of the components of the Customer Service Delivery Framework is described in further detail in the following sections.

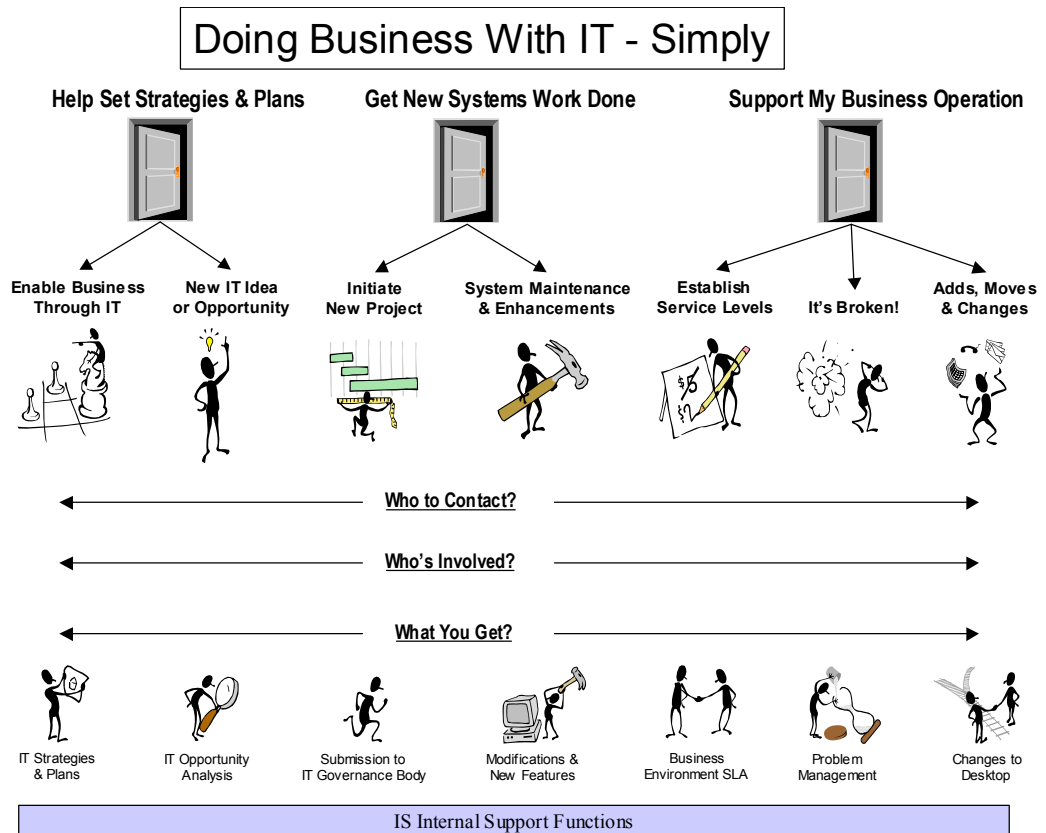


Create IT Customer View

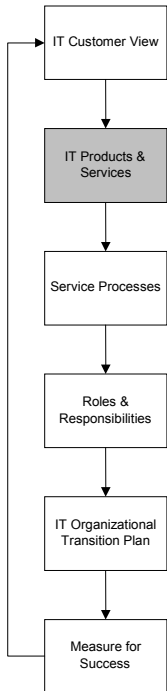
In order for any Information Technology (IT) organization to create a focus on customer service and improve the alignment with their customers, they must act and look like a business themselves. This includes properly defining the IT products and services, and creating clear business relationships between the IT organization and its customers when delivering the services.

IT needs to create the perspective of “Doing Business with IT – Simply”.

In most cases, customers of an IT organization, have three fundamental needs for IT services – Help Set Strategies & Plan, Get New Systems Work Done, and Support my Business Operation. IT’s customers do not want to try and understand all the intricacies of how IT provides services. They simply want to know who to contact, the service that they can expect, and what is delivered.



All of the IT organizational elements are defined from the perspective of “Doing Business with IT - Simply”. It allows the processes and roles and responsibilities of IT to be anchored to the most important element of IT success – the customer.



Define IT Products & Services

IT customers need to know what they are ‘buying’ and like any service offering, they need to know the expected delivery commitment (eg. Problem resolution of Severity 1 problems within 2 hours). These services are not just a listing of things that IT does. They are value for money services that help IT customers achieve their business goals and requirements.

They must be easily recognizable by IT customers and it must be understood what is, and what is not included. If IT services can not be defined in a way that customers say ‘yes I need that’, then they have not been defined properly, or they are not needed at all.

As part of the definition of IT products & services, it is important to identify the cost of service, the overall service delivery owner (as there may be a number of units involved), the final deliverable to the customer, and what constitutes an acceptable service level to the customer. It should be noted that this also includes the identification of any external service providers.

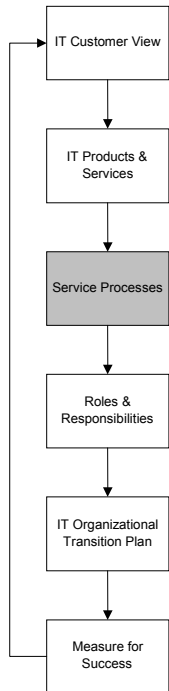
Once IT services have been properly defined, the next step is to define the commitment that can be made in the delivery of the various services. These service commitments are affected by IT’s level of available resources and operating budget.

Service Commitments – Information Technology Organization

Help Set Strategies & Plans		Get New Systems Work Done		Support Your Business Operation	
Service	Commitment	Service	Commitment	Service	Commitment
1.		1.		1.	
2.		2.		2.	
3.		3.		3.	

It is important to set commitments that are realistic and can be achieved by IT. If the customers require a higher level of service, then IT is able to enter into discussions on the relative cost to the organization to provide the higher level of service. It then becomes a decision by IT’s customer, instead of IT, to justify the increased cost for the increased service level.

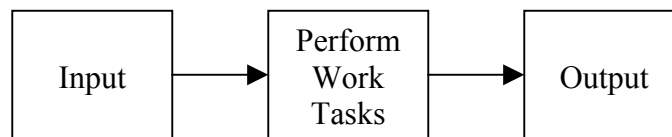
At the completion of defining IT services and service commitments, this provides in the next building block of IT’s customer service delivery framework – Engineer IT Products & Services.



Engineer IT Service Processes

With IT services defined, the next step is to work with IT staff to formulate the high level processes of how the services will be delivered. Sound business engineering principles and techniques need to be undertaken to ensure that the process flow is optimized and delivers the highest value possible. This is not meant to be a detailed BPR approach but it will provide enough information as input for the next building block - defining roles and responsibilities.

The simplest description of a service or business process is as follows:



Within each of these categories, a number of questions will be answered in the development of IT service processes, including but not limited to:

Input

- what are the key inputs or what initiates the process within IT?
- who typically makes the request to IT?
- what authority do they have to procure IT services?

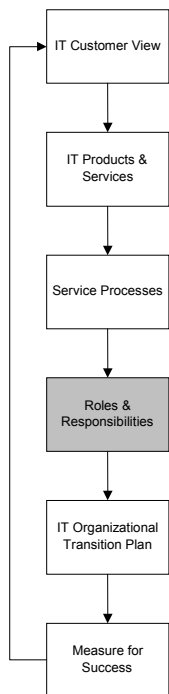
Perform Work Tasks

- how is the work assigned and prioritized?
- who has overall responsibility in IT to complete the work?
- who else in IT or other departments are involved?
- are there any hand-offs?
- what type of communication is needed to keep the process flowing?
- how do others complete their work and ensure that there are no delays?
- does the work task performed provide value to the customer?

Output

- how do you know when you are complete?
- what type of customer acceptance is required?
- does the output for this process become the input for another process?
- what type of communication is provided?
- does the output meet the expectations?

The definition of the processes will allow the IT service commitments to be validated. The processes are designed to ensure that IT is capable of delivering on its promises and that true customer satisfaction is attainable.



Identify Roles & Responsibilities

Now that IT services, and the processes to deliver them, have been defined, the roles and responsibilities for the units and staff can be finalized. By building them around the Customer Service Delivery framework, it provides a clear understanding of how the staff and units will carry out their work, to complete the processes, to deliver the service commitments. It is all connected to one another. This model provides for the most optimum organizational effectiveness for IT.

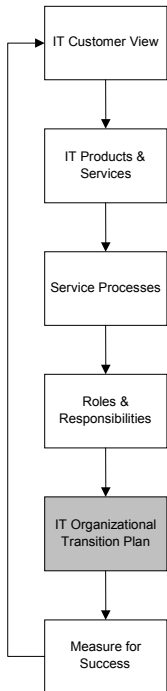
In the design principles for roles and responsibilities, the following must be considered:

- appropriate span of control
- career growth and flexibility, and
- independence of functions between process controls and quality of work.

A comprehensive outline by department and position is developed that identifies roles and responsibilities, skill requirements, plus identifies the measurements of success for the positions. Recommendations are provided to adjust the IT organizational model to fit the Customer Service Delivery framework.

Organizational change is often a very difficult process with a high degree of anxiety and stress in the staff that are affected. This is addressed through sound change management techniques, coaching / mentoring principles, and a solid communications strategy. In particular, the communications strategy is to focus on consistent and regular communications to a Project Steering Committee, Internal IT Staff, External Service Providers / Partners, and IT Customers.

Buy in and acceptance of IT staff is critical to the success of this type of transition. It is extremely important to solicit the involvement and participation of the IT staff as, in the end, they are the ones that will make the IT organizational change successful. This is accomplished through the use of a staff representative team and an agreed upon communications strategy that may include newsletters, an Intranet page, and ‘all staff’ meeting presentations.



Develop IT Organizational Transition Plan

It is critical to layout a comprehensive implementation strategy to transition to a new IT organizational structure. A proper transition plan will allow IT staff to understand what is expected of them and how their work is related to the new organizational structure and mandate. In addition the transition plan focuses on minimizing any service disruptions to IT's customers.

The transition plan has two primary focuses that are planned and managed.

1. IT Staff Assignment & Transition
2. IT Customer Service Delivery Implementation

IT Staff Assignment & Transition

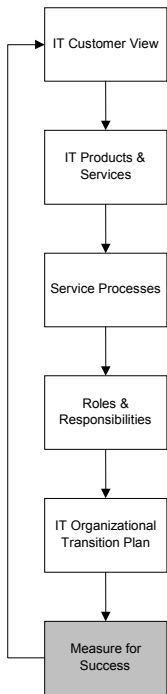
If there are to be any changes to the IT organization, the IT management team must be appointed first. Once in place, the new management team will need to carry out a skills & aptitude assessment and gap analysis for the rest of the staff in the IT organization.

This assessment allows the IT management team to map the current staff to the new positions. It should also be noted that this should be done in conjunction with the HR department and any Union representative to ensure that the terms and conditions of any Collective Agreement are followed in this transition.

IT Customer Service Delivery Implementation

Before IT is ready to 'open it's doors' with the new customer service offerings, the implementation strategy will need to utilize elements of a marketing and communications approach. IT customers need to be prepared for what is coming, how it will benefit them, who to contact, and when it takes affect.

The transition plan will include items for the development of presentations and materials to be provided to IT customers on the organizational change. In addition, it will address any conversion of existing customer work to the new Service Delivery framework.



Measure for Success

Everyone has heard it – “what gets measured, gets managed”. In the case of IT, this is paramount to the success of an IT organization. The twist is that IT needs to measure and manage, again from the perspective of the customer. The customer is the one that will determine success and value, so the measures need to reflect what is important to them.

IT organizations need to clearly demonstrate that their organizations are **competitive** as compared to outside services, and that they are **efficient** through a commitment to running a “lean and mean” organization.

From a competitive standpoint, benchmarks of the IT products and services based on industry pricing are essential. Such measures allow apples-to-apples comparisons to what an outsourcer would deliver, and demonstrate how the IT organization compares to alternatives from the outside world. Without this type of comparison, IT’s customers will always wonder if the grass may be greener elsewhere.

The evaluation of internal costs and comparison to external alternatives also allows the business-oriented IT organization to determine if a part of its operation is better suited for an outsourced arrangement or not. Like any business, the IT organization must leverage the expertise of others where it makes sense and focus on what it does best.

Almost every CIO confronts this question – “why are we spending more for IT and what are we getting for our investment?” It’s not the total IT spend that the CIO should be accountable for, but rather the unit cost of IT. An IT organization needs a unit cost-based approach to demonstrate that it’s delivering more bang for the buck than ever. It allows the CIO to say to the Board: “Yes, IT spending is up by 7 percent, but the business’ use of IT resources is up 13 percent. So, we’re ahead of the game.”

This perspective makes the business units – the users of IT services – responsible for the volume growth of IT usage, while the IT department ensures the efficiency of IT on a unit cost basis.

Finally, another important measurement capability is the Service Level Agreement. It allows the IT organization to track and report performance against established business goals. The use of Service Level Agreements provides a common understanding and expectation of what services are to be provided and the level of services available. It creates a business relationship that IT can use to measure its success.



Profile of Greenlight Dynamics

Let Greenlight help you *Run IT Like a Business!*

Greenlight Dynamics Inc. is a British Columbia based company that was established in 1999 and provides IT Leadership Consulting services to public and private sector organizations.

We deliver experienced business and IT professionals, who have 'been the client'. We know that simply hiring a consultant who comes in, does the job and leaves, does not provide long-term sustainability or a cooperative working environment. With our coaching and mentoring approach, clients get more value and can retain knowledge in their own organization.

We've successfully adapted solutions for all sizes of organizations, in both the private and the public sectors. Our skills have been developed in a broad range of business verticals, including, finance / banking, insurance / compensation, international airline services, resource, manufacturing, event management, and retail sales.

Addressing IT Leadership Needs

At Greenlight Dynamics Inc., we have a team of three executives with extensive practical / real life experience in IT Leadership.

Lynn McDonald - as President of Greenlight Dynamics Inc. (GDI), Lynn brings strong leadership skills and a solid background in IT Project Management methods and best practices.

Brian Baker - as VP & Chief Innovation Officer, Brian brings a strong background in IT Operations excellence, Architecture principles, and IT Organizational structures.

Dean King - as VP & Solutions Strategist, Dean concentrates on the IT Governance processes, Strategic Business / IT alignment, Organizational Transformation and IT Value Measurement.

Each of the three principles in Greenlight Dynamics, have previously held senior IT leadership positions and have been instrumental in achieving strategic transformation and organizational change management.

For more information on the topics and information addressed in this white paper, contact Dean King dking@greenlightdynamics.com or (604) 970-6561