IT Engagement Model: How Companies Link Company-Wide IT Governance to Projects

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- Building Effective Relationships Between Business & IT Leaders
- Effective Distributed Collaboration
- Effective IT Engagement Inside and Outside the Firm

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**Agenda**

- **The challenge:**
  How to use IT to achieve both local and global objectives
- **The solution:**
  Linking company-wide IT governance and project mgmt.
- **The three components of an IT engagement model**
  - Company-wide IT governance
  - Project management
  - Linking mechanisms
- **Case studies**
- **Three linking mechanisms**
  - Business-IT relationship managers
  - Program management office
  - Post implementation review
- **Lessons learned**

### Achieving Both Local and Global Objectives Involves Engaging Six Key Internal Stakeholder Groups

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<thead>
<tr>
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<th>IT</th>
<th>non-IT</th>
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<tbody>
<tr>
<td>Corporate Level</td>
<td>Enterprise IT Architecture</td>
<td>Corporate Strategy &amp; Vision</td>
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<tr>
<td>Business Unit Level</td>
<td>Business Unit IT Architecture</td>
<td>Business Unit Strategy &amp; Vision</td>
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<tr>
<td>Project Team Level</td>
<td>Project's Proposed IT Solution</td>
<td>Project Proposal</td>
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</table>
Traditional Approaches to IT Are Limited Due to Insufficient Engagement

IT Engagement Model

**Definition:** A system of governance mechanisms targeted at ensuring that IT-enabled change projects achieve both local and enterprise-wide objectives

**An effective IT engagement model:**

1) **Aligns** the interests and efforts of different stakeholders (e.g., align business and IT) and;

2) **Coordinates** the interests and efforts of different business units and organizational levels (e.g., coordinate between project, LoB, and enterprise level efforts).
The IT Engagement Model Has Three Components

- **Company-wide IT Governance**
- **Linking Mechanisms**
- **Project Management**

**ALIGMENT**
- non-IT
- IT

**COORDINATION**
- Corporate Level
- Business Unit Level
- Project Team Level

The IT Engagement Model Has Three Components

- **Aligning IT to Business Needs**
- **Aligning IT to Business Goals**
- **Aligning IT to Business Strategies**

Key Linking Mechanisms in LoB1
- Informal feasibility assessment
- Architecture exceptions handling process
- Review Boards tied to LoB finance committee

Key Linking Mechanism in LoB2
- Accreditation Program

Key Linking Mechanism in LoB3
- Account Managers

**BT's IT Engagement Model: May 2002**
BT's IT Engagement Model: May 2004

Organization-wide IT Governance Mechanisms
- Enterprise Transformation Boards
- Senior Information Forum
- Architecture Realization Group

Line of Business (LoB) IT Governance Mechanisms
- Architecture Realization Group

Corporate Level
- Transformation Boards

Project Team Level
- Key Linking Mechanism in LoB2
- Accreditation Program

Key Linking Mechanisms in LoB1
- Informal feasibility assessment
- Architecture exceptions handling process
- Review Boards tied to LoB finance committee

Project Management Methodology
Each LoB takes a distinct approach

BT's IT Engagement Model: May 2006

Organization-wide IT Governance Mechanisms
- CIO participates in key Corporate Committees
- "One IT" Centralized IT Organization
- The Bench

Corporate Level
- IT Board
- IT Committee
- Technology Leadership Group
- Architecture Realization Group

Line of Business & Program Level
- Linking Mechanisms
- All projects must belong to one of 29 programs
- Programs follow Agile Delivery & 90-day Cycle
- Hothousing
- ROI Business Case
- Post Implementation Reviews

Project Team Level
- Key Linking Mechanism in LoB3
- Account Managers

Key Linking Mechanism in LoB2
- Business Unit CIO teams strategically focused
- Architecture Conformance Framework Process
- Calendar of commitments
- Bonuses tied to corporate and program objectives
Linking Mechanisms Support Three Types of Linkages

**Business Linkage**
- Program prioritization
- Business sponsors for projects
- Early stage involvement of people representing company-wide objectives
- Regular project reviews conducted by company-level office
- Post Implementation Review (PIR) tied to company goals
- Bonuses and incentives tied to company goals
- “Big Bang” Programs
- Monthly review of all projects across company

**Alignment Linkage**
- Business-IT relationship managers
- Demand-side CIO team
- Project gates require approval of BU Manager and Relationship Manager

**Architecture Linkage**
- Project teams include architect
- Architecture exception management
- Project funding and continuation dependent upon architecture compliance
- Monthly reviews of “state of technology” of all projects across enterprise

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**Business-IT Relationship Managers Enable Everyday Engagement**

- **Survey Results**\(^1\) on Business-IT Relationship Managers

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<thead>
<tr>
<th>Number of Organizational Levels Engaging Pairs</th>
<th>Average Degree of Alignment</th>
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- **Examples**
  - TD Banknorth
  - BT

\(^1\) Results based on survey conducted in 2006. Survey participants were senior IT executives from 32 companies. Degree of Alignment scale is from 1 (lowest) to 5 (highest).
Program Management Offices
Enable Engagement Around Projects

- Survey Results\(^1\) on Program Management Offices

  Number of Organizational Levels Engaging Pairs

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  Average Degree of Alignment

  - 2.9
  - 3.4
  - 4.0

- Examples
  - BT
  - USAA

\(^1\) Results based on survey conducted in 2006. Survey participants were senior IT executives from 32 companies. Degree of Alignment scale is from 1 (lowest) to 5 (highest).

Post Implementation Reviews
Enable Learning From and Across Projects

- Survey Results\(^2\) on Post Implementation Reviews

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  Average Degree of Alignment

  - 2.4
  - 2.8
  - 3.4
  - 4.0

- Examples
  - BT

\(^1\) Results based on survey conducted in 2006. Survey participants were senior IT executives from 32 companies. Degree of Alignment scale is from 1 (lowest) to 5 (highest).
Lessons from Effective Engagement

- **Engage all six stakeholder groups**
  Alignment and coordination isn’t possible without mechanisms linking all nine stakeholder groups

- **Distribute three key responsibilities**
  System of decision rights and mechanisms for
  - defining global objectives and rules, including an organizing logic
  - managing projects
  - enhancing engagement—both everyday and around projects

- **Link decision making with implementation**
  Governance and project management are not enough—linking mechanisms enable comprehensive engagement

- **Engage within and across projects—early and regularly**
  Enhance transparent, regular, two-way engagement; create overlapping roles; provide incentives and enforcement authority; and adapt to changes, learning, and appeals against decisions

- **Make the most of your situation to improve linkages**
  Listen to what makes most sense in your situation to raise the stakes for clear governance, shared risk and common business metrics

Thank You