Keystone TECHNOLOGY CONSULTANTS
helping companies understand and implement new technology

# Aligning Business and Technology

Keystone Technology Consultants creates close, ongoing relationships with clients wherein they build an environment that helps them define and reach their goals while managing the cost of information technology. Founded in 1993, Keystone provides information technology support, network management, cloud hosting, and high-level technology strategy to small and medium sized businesses throughout the northeastern Ohio area. You can visit them on the web at www.keystonecorp.com.

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## The Process

| Phase | Key Tasks | Estimated Timeline |
|---|---|---|
| **Phase 1: Assessment and Baselining** | • Survey the organization to baseline it against World Class IT characteristics<br>• Perform interviews of key personnel<br>• Perform interviews of information technology personnel | 60-120 days |
| **Phase 2: Expanded Analysis and Findings** | • Process Mapping and identify costs for business workflows<br>• Assess Opportunities to improve the Technology Function<br>  ○ Adoption of new ideas<br>  ○ Alignment, or a realignment of IT personnel<br>  ○ Changes in service delivery policies and procedures<br>• Define opportunities to improve | 30-45 days |
| **Phase 3: Establish and Maintain an IT Steering Committee** | • Form the team<br>• Define and institutionalize a charter, and operating procedures and tools<br>• Ongoing Operation | 30 days to form<br><br>Ongoing |

These are fully defined and described in the following pages.

## Executive Overview

Keystone Technology Consultants has developed a process to align the business and technology of an organization. Our approach includes a series of steps and related tools which taken together and executed by strategic thought leaders at Keystone alongside business leaders of its clients will provide a technology roadmap for the organization. If you desire to have this process as part of your Keystone services, please contact us so that we can discuss it's applicability for you.

This process is designed for small to medium size organizations, and is applicable for those between 50 and 500 computer users, or those that must invest heavily in technology as part of their industry.

The following key points of the process will be described within this document along with their corresponding tools and personnel needs. We use three phases.

- **Phase 1**: Assessment and Baselining
  - Survey the organization to baseline it against World Class IT characteristics
  - Perform interviews of key personnel
  - Perform interviews of information technology personnel
- **Phase 2**: Expanded Analysis and Findings
  - Process Mapping and identify costs for business workflows
  - Assess Opportunities to improve the Technology Function
    - Adoption of new ideas
    - Alignment, or a realignment of IT personnel
    - Changes in service delivery policies and procedures
  - Define opportunities to improve
- **Phase 3**: Establish and Maintain an IT Steering Committee

## For whom did we write this?

This white paper is for small to medium-size businesses (between 50 and 500 users) who are clients of Keystone Technology Consultants. Larger organizations often employ a formal IT department with its own policies and procedures. While all of the concepts are applicable to large organizations, we present a lightweight version of the implementation intended for a smaller organization's cost and cultural needs.

The particular roles that will benefit from this paper are the business leaders of the organization. We believe a CTO/CIO/IT Manager will glean beneficial information from this document; however, we strongly encourage business leaders to have a clear understanding of the concepts because it is they who have the most to gain from the increased value technology will provide, and allow them to have effective communications with the technology leaders.

This process is intended to be performed jointly between an authorized representative of Keystone and their clients who are receiving this service. This document is not intended to train others in the process, nor is it a complete playbook of all the tasks and tools that can be used to increase the success of the endeavor. Each organization is different, and differing personalities and industry needs will necessitate variance to provide the optimum solution.

## Phase 1: Assessment and Baselining

In this phase which begins the process, we are concerned with gaining an understanding and agreement of what resources are available to the organization, and how the users and leadership perceive them. We perform three different steps to collect and document this:

- Survey the organization to baseline it against World Class IT characteristics
- Perform Interviews of Key Personnel
- Perform interviews of information technology personnel

### Survey the organization to baseline it against World Class IT characteristics

The first task in this phase of the process is one that is both simple, and enlightening to determine the view of technology across the organization. In this step we will send out an automated survey to all users to collect information about how they use technology, how they are supported in its use, and what particular characteristics are important to them in the performance of their duties.

#### What is world-class IT, and what is a Maturity Model, and what is the value?

When we survey the users we are attempting to determine where the organization falls in a continuum against a maturity model which views the technology function from immature to mature. Or in other words we may say that "a mature organization has a world-class IT function". World-class does not mean large, or expensive. On the contrary, a world-class IT function is one that meets the needs of the organization it serves with the most effective response and efficient use of resources. It means that the IT function is both right sized, and is aligned to the organization from a cultural, business, and technology perspective.

**Capability Maturity Model**

The idea of an IT Capability Maturity Model (CMM) was developed by Carnegie Mellon University in the early 1990s to allow the government to assess software development contractors for their process, to determine the potential success and fit of a potential supplier for services. While focused on software development as a practice, it looked carefully at the ***process*** an organization used to determine standards, repeatability, predictability, and continuous improvement to name a few. In many respects this makes the model a means to assess partners for fit and success, much like ISO 9000 standards are used to determine a manufacturer's process capabilities. It is therefore been used by firms worldwide to assess a partner for large development projects, especially when outsourcing.

*For our purposes, we are interested in what the entire IT function provides as a partner to the business.*

These same approaches to software development, and the desire to have predictability and improvement in process has extended the idea of the maturity model to other business process activities, and is used in government offices, commerce and industry.

Ultimately it is measuring where on a continuum an organization or business function is, as viewed from a reactive ("we fight fires") to a proactive ("we bring new ideas to the process and implement them") view.

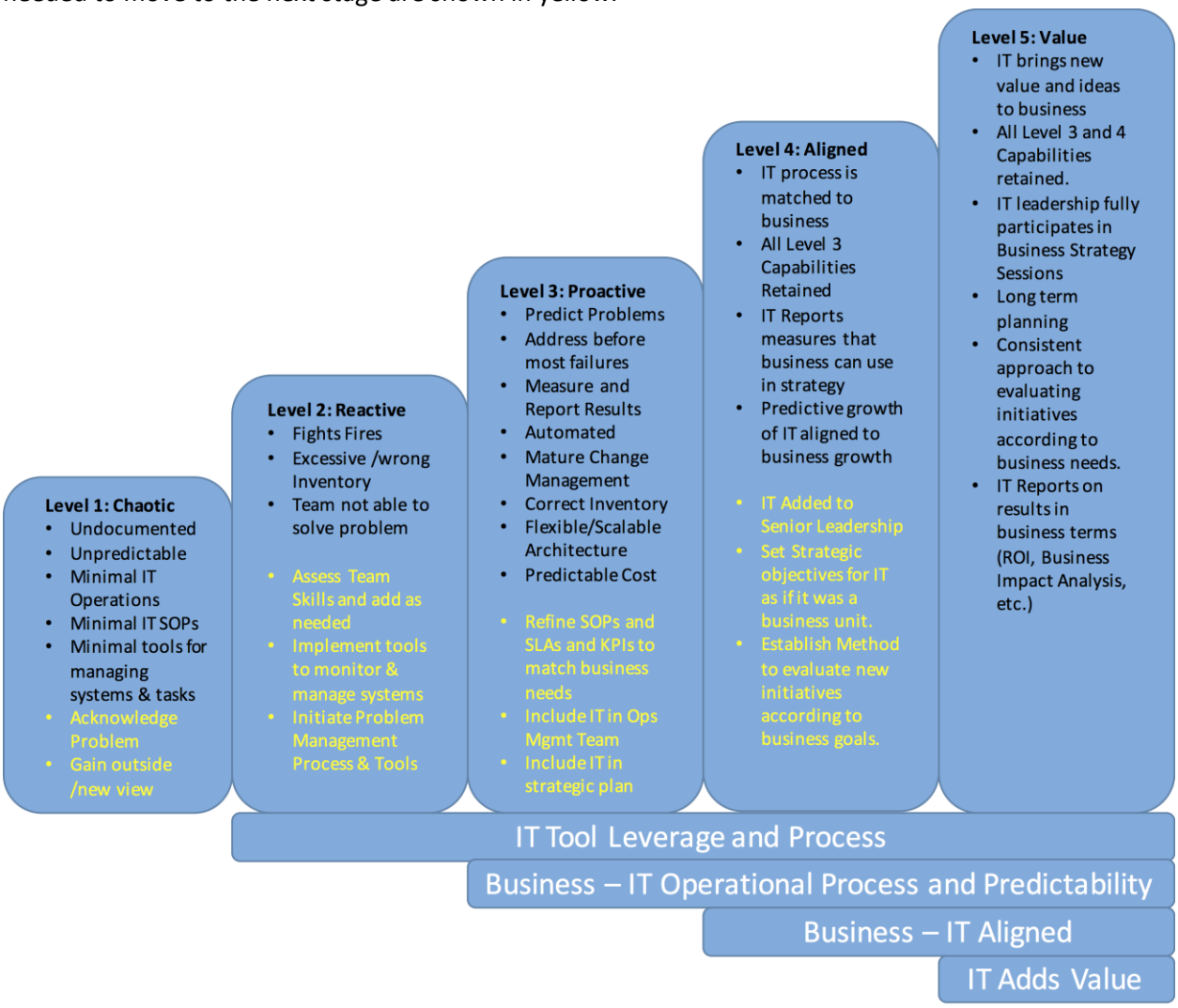
For the purposes of our clients, we are interested in understanding where we are now, where can we go and be in the future, and what it will take to get there. In that last sense, we want to identify the gaps between where we are to where we would like to be as related to the entire IT function.

IT CMM Model:

The following diagram shows a Capability Maturity Model we developed. This diagram is typical of the IT continuous improvement process, showing a continuum from chaotic to value with various stages in between.

In the model, the indicators which are representative of that stage are shown in black, and the steps needed to move to the next stage are shown in yellow.




## Regarding the Value

The value can be seen in multiple ways

1. From an intuitive way: It is evident that a function that is predictable, controlled, and documented will provide better than one that did not possess that. Stakeholders would be better served, and improvement would be possible because the impact of change could be more tightly targeted and measured.
2. Best practices – or best fit practices: an organization that is proactive instead of reactive has the time and energy to implement new practices around common standards. Because the process is both documented and predictable, it can be examined by stakeholders and specific changes made, with the results being more clearly identifiable and measureable.

3. Better integration with those they serve: because there is predictability and continuous improvement, the technology function can better align to the needs of the organization in a way that impacts the capabilities of it to serve its customers.

As you can see for item number three, when an organization has a mature technology function, it is one that can be and is aligned to the business.

## The Assessment Survey Tool

In order to determine where the organization is on the capability maturity model we use a survey tool with 44 questions as a baseline and send it to key personnel in the organization. These questions may be modified slightly for your organization. The questions focus on gaining information about the following areas:

- Management
- Mission Support
- Personnel
- Records Management
- Reliability
- Strategic Alignment
- Systems Proactivity

| | *For each question, read and answer with the premise "To what degree…"* | | |
|---|---|---|---|
| | ***Evaluation Item*** | ***Score (1-5)*** | ***Primary Area*** |
| *1* | Is there a formal IT project management function and process in place? | | *Management* |
| 2 | Is there an IT budget in place and is it tracked the throughout the budget period? Is it met? | | Management |
| 3 | Are service level agreements in place for key vendor relationships? | | Management |
| 4 | Are projects completed on time and in budget? | | Management |
| 5 | Is there an acceptable use policy in place for IT systems? | | Management |
| 6 | Is there a defined process in place for justifying, specifying, and purchasing new equipment? | | Management |
| 7 | Do business leaders regularly meet with key vendors to review performance against needs? | | Management |
| 8 | Does the organization regularly (every 2-5 years) benchmark against other similar organizations for IT? | | Management |
| 9 | Are users trained in new systems, or new users trained in existing systems? | | Mission Support |
| 10 | Are users regularly surveyed for satisfaction levels with the IT services? | | Mission Support |
| 11 | Are user support tickets closed in the time expected under the SLA? | | Mission Support |

*Figure 1: Some sample questions from the CMM Assessment*

Many of the questions are subjective in nature because our goal is to find out how the organization feels about its technology function. This gives us a starting point to align it to the business needs. Often times it is the perception of technology that impacts its effectiveness, similar to how a person who is intimidated by a software program will be limited in getting results from it.

Each of the questions requires a response of between one and five, and all results are averaged to get an organizational value for each one, which is then rolled up into the area they represent, and then further rolled up into an overall score.

The results will be analyzed by Keystone strategist along with further investigation of the organization to determine the validity of the response as an accurate measure versus the perception of the organization.

In the end we will have a score that represents where the organization is on the continuum between one and five, which allows us to begin to consider and improvement plan, and see that improvement in future surveys.

Appendix 1 summarizes the model in more detail.

## Perform Interviews of Key Personnel

In this step Keystone will sit with key individuals, which usually include executives and department managers to interview them about how they use technology, and what ideas have already been generated to improve it. This starts off as a template of questions, but as the discussion unfolds more information is collected and additional questions are generated to identify specific areas that should be investigated.

Our goal in this step is twofold:

1. Hear from the leadership and begin to understand not only the barriers that they have encountered, but also where investment could be done to generate results.
2. Identify the key business drivers of the organization. Key business drivers are those specific strategic goals that an organization has created which will ultimately lead to increased health. Examples of these are “increase profit by 10%”, or “move into adjacent states as new markets”.

The end result of this step is a series of documents which record the results of these interviews and summarize the key points across the organization. These key points may be related to the personnel, the systems, the means of delivery for support, the key applications, and the changing business climate.

## Perform Interviews of Information Technology Personnel

If your organization has personnel who provide technology support functions then we will interview them to assess their skills and cultural fit to determine how the organization can best use them. The focus here is not on finding shortfalls, or determining if they will be retained; instead we want to find the best possible use of them for their own satisfaction and for the benefit of the organization. Information technology is a field that is very broad in terms of capabilities and skill sets. They run the gamut from security to server management, user support to policy creation, and many more focus areas. One person is never able to sufficiently perform all of these functions from a skill set or availability perspective. Therefore we are trying to find the best use of the personnel that are present.

During this step we will meet with the individuals and gather information about what they like to do, and where they feel they make the most impact. We will also assess their technical abilities and determine what their thoughts are for improving the technology and its impact on the organization. Often times we find that these resources are underutilized, or not properly positioned, and therefore they have much information to share that is helpful.

The end result of this step is a series of documents which record the results of these interviews and summarize the key points.

## Review Existing Policies and Technology Capabilities

The final step in our data gathering and baselining is to review any existing documentation, and policies that are present to see what has been covered, and to assess how those in technology who write these documents view the technology that is present and how it is to be used. We are looking for areas where technology is provided, or limited (perhaps due to security or cost concerns) and seeking to identify what is available that could be unleashed to provide some immediate impact to the organization.

Finally we will perform an assessment of the technology itself to determine its overall health, which provides not only an indication of the management of the technology, but also its age and philosophy.

The end result is a summary document of the philosophy of technology management by those who perform it, and the identification of key technology assets that could be used by the business for some benefit.

## Phase 2: Expanded Analysis and Findings

This phase of our process takes the findings which were done independently in the previous phase of assessment and baselining and pulls key information from across the spectrum to identify specific trends, and areas to investigate further. Some recommendations will usually be made at this time for improvement. This step is to be performed by a senior IT strategy leader from Keystone in conjunction with business leaders from the client organization. By reviewing the documents created in the previous step with key business leaders we can identify those areas where we should spend more time seeking solutions. The solutions may be found by market reviews, contacting other similar organizations, reviewing tradeshow materials, etc.

There are three specific areas that we will drill into at this point each of which generates one or more documents. These are:

- Process Mapping and identify costs for processes (optional)
- Assess Opportunities to improve the Technology Function
    - Adoption of new ideas
    - Alignment, or a realignment of IT personnel
    - Changes in service delivery policies and procedures
- Define opportunities to improve

The end goal of this step is to have a sense of those areas that could be addressed by technology. This will not be a final analysis, nor will it be a specific answer, but it will provide great insight into what should be worked in the next phase.

### Process Mapping and Identify Costs for Business Workflows

This step is optional for some organizations, as it requires significant time from key personnel and many of the answers may have already been gathered in the previous step. If this step is performed it generally follows this course:

- Identify key processes and subject matter experts within the organization - these processes would generally encapsulate the entire business process of the organization, which may be described as product lifecycle management, sales to order, order to cash, etc. Once these processes have been identified, the subject matter experts from each department that participate in the process will be ascertained. Teams are then formed to document these processes.
- Assemble teams in a conference room and defined the process - at this point the teams assemble and work through the process using Post-it notes and flowcharts to manually create a visual diagram of the key functions and participants.


- Optionally, we may assemble the cost for a process by reviewing the participant cost, the time for each task, and the resources used. The goal of this step would be to identify those specific tasks that are expensive and which

may benefit from some new application of technology. This makes it much easier to do a cost-benefit analysis of potential projects.

- Document the Workflow and costs
    - Show all steps in a flowchart – using a tool such as Visio, we then create a permanent document of the workflow.
    - Show costs in an Excel spreadsheet or other tools to identify high-value improvement areas.

## Assess Opportunities to Improve the Technology Function

### Adoption of New Ideas

During our analysis, and in discussions with business leaders and IT personnel, certain items inevitably rise to the top and are identified as key issues and often have obvious solutions. From an effort to date perspective, these could be considered "low hanging fruit", and may be pursued on a fast-pace regardless of other longer-term initiatives that are identified.

We do want to be careful at this point to ask the basic question: "why wasn't this done already?" While the direction may seem obvious there are often reasons why it wasn't done and we want to be careful to consider this, and after satisfying any concerns move forward to gain the benefits that are available. Most of the items determined that this stage are fairly simple to implement, or carry a low cost. It may be simply a policy change, or expansion of an existing piece of software, or reallocation of assets including personnel.

### Alignment, or Realignment of IT Personnel

After reviewing the notes from our interviews with IT personnel, and reviewing the systems that are in place, as well as the responses from surveys and interviews with key personnel, it may become apparent that changes can be made in how the team is structured to provide benefit. Often times an IT resource is supporting a software application or system for which they are not skilled or interested. This creates frustration for both the IT resource, and affected users. At this point it is wise to consider training, or reallocating resources to best support the organization.

By creating a matrix of the key systems, their business owners, and the personnel who support them, along with concerns that were raised about the systems it can become quite apparent how resources can be realigned to bring them into a position that truly supports the business.

### Changes in Service Delivery Policies and Procedures

In this step, we identify any policies or procedures in place, such as service level agreements or vendor contracts, which are inhibiting the business from reaching its goals. Often times these policies were put in place under different circumstances but have remained in spite of the frustration they cost. Often times we find that the only response to why a policy or procedure is used is "that's the way we've always done it." This is certainly not a good reason to continue, and by reviewing the policies against the organizational needs, we can identify those that should be revised, or eliminated to generate value quickly.

## Define Opportunities to Improve

At this point the organization should have specific items that they want to research and develop which may lead to improved technology functions, and better alignment with the business. These items should have the following assembled to support their further consideration and potential adoption.

- A champion – this is a specific individual who has the desire and capability either by themselves or working with others to develop a business case analysis and support for the potential improvement.
- A form, or set of forms to collect the information – these forms collectively will allow the organization to evaluate the opportunity against other opportunities to determine those that make the most sense to invest and adopt. These forms may collect information such as costs, expected improvements, potential savings, potential new revenue, ability to meet compliance requirements, etc.

Collectively these documented opportunities form a portfolio of potential initiatives which can be evaluated against each other, and the business drivers of the organization.

## Phase 3: Establish and Operate an IT Steering Committee

This is the final step of the process in which we create a team of people focused on implementing the findings, and continuing to oversee the results of technology for the business.

### What is an IT Steering Committee?

An IT steering committee is a group of people who represent the business leadership and the technology function who meet in a systematic fashion to review and approve technology initiatives that will provide a positive impact on the organization. Or, as Wikipedia defines it [1]"*A steering committee is a body within an enterprise that supports the steering of its actions. Its main concern is making strategic decisions concerning future realization of the enterprise's investment projects. It makes decisions about which of the presented projects will be realized, and which will not. It is responsible for the management and monitoring of a long-term project, which means that it controls the realization of the project at the strategic level, verifies the project's coherence with established aims, and keeps established frames such as range, costs and deadlines.*"

It is important to note that this is not primarily a technology function; instead, **the focus is to involve business leaders who have business goals and could benefit from the right technology solutions to meet those goals.** This committee's function allows them to engage in conversation with each other and with technology leaders to identify those technology solutions that will provide this. Part of this is necessarily the business defining goals in business terms, such as "increase revenue by 10%", "reduce inventory by 15%", "expand into adjacent geographical states using an external sales force", etc.

By discussing the business in this way, the committee can review and evaluate potential technology initiatives against these goals. The ultimate function of the committee is to approve and prioritize those opportunities. The committee is not focused on simply implementing new technology for the sake of technophiles, or just because everybody else is doing it. They must consider the needs of the business and its direction against any requests from each department, and refuse to pursue the ones not aligned to the organizational goals.

**We must acknowledge that most technology projects are "business projects"; not "IT Projects" because they profoundly shape the capabilities of the organization and the procedures it uses.** For example, a new ERP project is actually a business initiative because it will change the way employees work, the cost structure of the business, the ways the business is measured, and many more. The only examples of a pure technology project are those like "replace the failing server". Therefore, the committee is comprised of business representatives meeting with technology representatives and then the business determines the direction of technology with the input of technology specialists.

### Would my Organization Benefit from this Committee?

IT steering committees are not new nor are they rare; in fact as of 2010, 41% of organizations with less than 250 employees have an IT steering committee[2]. The same survey showed that 63% of organizations

[1] Source: https://en.wikipedia.org/wiki/Steering_committee
[2] Source: Client Survey, Info-Tech Research Group, February 2010

of 251-1000 have an IT Steering Committee. The take away: these committees are appropriate for small business, and become even more important as an organization becomes more complex and sizable.

The following conditions will indicate if you are a good candidate for this committee.

- Your business is going through significant changes or determining new market strategies.
- Your organization has older technology and it is becoming apparent that it is inhibiting your ability to meet goals and is a concern and there will be a need for increased significant investment.
- Your business has cross-functional relationships between disparate departments and struggles to determine where to invest.
- You are unsure about the value of your technology investments, making you hesitant to take actions that seem necessary on the surface but for which the justification is not clear.
- The business has changed in structure or market presence but is still using the same technology.

If any of these characteristics are true for you, then you should consider establishing an information technology steering committee.

## Goals of the IT Steering Committee

While the committee focuses on the particular needs of the organization it serves and represents, all IT steering committees should pursue some general goals. **In effect, you should expect these things from your committee.**

1. Project Approval - the committee will be expected to review each project (which may also be considered an initiative, or investment request) and approve those that best meet the goals of the business.
2. Project Prioritization - Once projects are approved, the committee prioritizes them in relationship to each other for asset allocation, and expectation management.

3. IT Strategic Planning - as referenced above technology is not separate from the business and an entity unto itself. Instead, it must be in enabling function that contributes to the goals of the organization. With that in mind, this committee will best be able to plan the strategic direction for the organization and how it employs technology assets. For example, they will be the group that determines if you need a new ERP system, what benefits a CRM system may provide to the sales force, and if iPads would be an appropriate tool for service technicians. These types of discussions are held openly by business leaders who have the value of the insight of the technology leaders that are part of the committee, within a context of value.
4. IT Policies and Standards - an organization that is appropriate for a steering committee will also be one that has enough technology assets and usage to require standardization of policies. For

example, there may be a need for a policy on using mobile devices and downloading apps. Additional policies will interact with the technology department and include things like expected response time to service desk tickets, or changes in how the technology support team works with the business. While the committee should not get into the weeds of the specific language, they should provide guidelines and ultimately sign off on technology policies.

5. IT Project Portfolio Monitoring - once projects are approved, they should be monitored to ensure they met the goals of the business. The set of projects in an approved and in progress state should be reviewed on a regular basis until completed and evaluated for their ability to deliver on the promises made in their approval. The committee can review these as a list of projects in a portfolio and their stage towards completion, and review after action summaries of the results. If projects do not meet the promised results, the evaluation and implementation process should be reviewed for effectiveness.
6. IT budgeting and Forecasting - the final goal or function of the committee is to oversee the IT budget and forecast future costs. The committee may not set the budget as a function of their meetings, but they must manage to the budget, review any unforeseen costs, and make recommendations much as they would the initial project.

## What does the Committee Need in order to be successful?

The committee needs some things in order to be successful. The number one item is establish the authority to work the process. This means that leadership personnel cannot circumvent the process, which may lead to incompatible technology, unwise investments, and projects using resources that could have been better allocated by agreement among the business leaders.

The committee should have a charter that delegates authority to them, and approved operating procedures. The charter should clearly state what types of items they would consider and what items would fall out of their scope. For example, they may not review an individual request for a laptop, but they would review a request for laptops for the 30-person field service group. The charter should include a minimum investment eligible for review both in terms of purchasing costs and in terms of resource time. The charter should also indicate what types of items will be considered IT service desk tickets and what items would be considered potential steering committee reviewed projects. The committee should not be evaluating individual requests for a new column on a report, unless a large portion of the organization uses that report in the operational aspects of the business. It is important to have a clear definition of what the committee will, and will not consider.

| Driver Name ▲ |
| --- |
| Increase cases worker efficiency |
| Increase Compliance Capabilities with State and Federal Oversight |
| Increase Donations by 20% |
| Increase Reach into New Geographical Areas |
| Increase Staff Job Satisfaction |

*2 Sample business drivers*

The committee should also have a clear direction from the business on the overall initiatives and the drivers that lead to success. **Of particular importance are these business drivers**. An example of a business driver is a mandate to "reduce costs in the manufacturing process by 10%". An organization at any time will normally have between four and eight business drivers. Senior organization leaders prioritize and weight these drivers to declare which one has precedence over another. The committee will then set the drivers up in an evaluation tool so that each member of the committee can review a project request against them and record their score, and averages them with other scores to determine a final prioritized list of projects for approval. If the business cannot

clearly state these drivers the committee will struggle to determine which initiatives should go forward and which should be canceled, ultimately leading to strong personalities getting what they want, and technology that produces little to no value. It is essential that the board and senior executives agree on these drivers and publish them in clear terms and in a prioritized, weighted fashion. If you do not have these, we recommend that you do not pursue the establishment of a committee as described herein.

The committee must have members who are committed to the charter and have availability to meet regularly to evaluate and review technology projects in whatever state they may be. These members are described below in the section "Who should be on this committee?"

The committee must meet on a regular basis using a method that allows all to participate, ideally in a conference room with face-to-face interactions. At a minimum, the committee should meet on a quarterly basis, but in organizations of over 125 employees, this should be bimonthly or even monthly. If the committee meets quarterly, they should still have published reports on project status on a monthly basis available for review, and an ongoing list of newly received requests.

The committee must have tools to help them communicate around a central database of information. This may not be a traditional database, but may be an Excel spreadsheet with a list of project requests, a business case package for each request (which includes request summary, financial investment, description of the problem it solves and how it meets the organizational goals, and other supporting documentation), approved project status reports, and meeting minutes. There course may be additional information necessary but the main focus is that each committee member has access to the information at any time and when meeting as a team can all evaluate the same information and discuss it openly.

Finally, the committee must have committed executive sponsorship. As part of this, the committee should have a standard set of reports that it provides to senior leadership who review them with a critical eye towards mandating effective results in communication with the organization. In other words, the team has to meet its goals, and personnel throughout the organization should understand the value generated and principles the team uses.

### Who should be on the committee?

Membership in the group should be made up of leaders of the business units who are most impacted by the use of technology, and some IT representatives who can report and work to align technology to the business goals.

It is extremely important that the steering committee have representatives who can make decisions about the information that is in front of them. In particular, in a small business, the committee should have ownership representatives or C-levels who can sit in the group, understand the issues, and participate in the approval and prioritization of the initiatives. If the committee lacks decision-making authority, it is rendered powerless and ultimately ineffective.

Understanding this the group should generally have between five and nine members depending on the number of business units, and include the following:

- Senior leadership/owners.
- Management representatives from each business unit.
- Technology specialists who represent and understand the operational and strategic aspects of technology.

Based on this a typical small business IT steering committee could include an owner of the business or the CEO/CFO/COO, and representatives from finance, sales and marketing, operations, HR, and information technology. Information technology may have multiple representatives available to answer questions and provide insight but should have only one voting voice on the committee.

## Leadership

The leadership of the committee can be either an IT person or a business representative. If an IT person is designated the committee chair, they should view their role as a facilitator and not the ultimate decision-maker or owner of all things the committee does. The most effective steering committee chairs who do happen to come from the IT department focus on listening to the business leaders and aligning the committee's efforts to meet the business needs. They are a group facilitator who ensures that the group follows the process and the tools are available to the members. In fact, some IT steering committees do not allow the IT representative to vote on initiatives, this makes the business responsible for the direction of technology instead of allowing it to be overly influenced by the actual technologist.

## What not to expect from the committee

You may be at the point now where you think this committee will take care of all of your IT strategy and prioritization needs. We believe the committee will be effective for the things that we have stated above as goals, but there are certain things that some may be inclined to believe the committee should do which we encourage you to reject. Some of these of already been referred to but we list them here with reasoning behind each one.

- Do not try to manage the operations of IT in this group. While being aware of the issues that affect the business and which may lead to new policies or initiatives to resolve these, the group should keep its review of the operational aspects of information technology at a very high level.
- Do not expect the group to manage projects, staffing, etc. This is best done by implementers, such as project managers, departmental IT leadership, key vendors, etc. who will manage the progress on initiatives and report at a very high level regarding progress and success and failure.
- Do not expect the committee to focus on controlling costs. This is a very limiting view and will ultimately reduce the effectiveness of the team. Instead, they should be focusing on opportunities to meet the business goals and propel the organization forward with new capabilities based on prudent investments. The committee should work within the budget and make recommendations for spend but cannot be expected to control costs.
- Do not try to manage every single technology request. Instead, there should be a minimum threshold for the committee to consider in terms of both cost and time needed to implement. It is not appropriate for committee of this nature to review a request for a new iPad for a sales rep; the department should handle this. However, the committee may review a request to outfit 50 sales reps with an iPad and the development of a new sales force application that is tied into the product catalog and sales order entry system. If the threshold is set too low, the committee will be bogged down in the minutiae of everybody's specific technology needs. This meeting should be focused on business strategy and technology alignment and not be a review of every new request.

## How can I get started?

If you have read to this point and see the value of establishing this committee there are certain things you will need to do in order to get started.

- Ensure that senior leadership agrees about this. They do not have to agree about the actual operating procedures or team membership at this point but they should agree about the value and commitment to this method of managing technology and business alignment.
- Assign members to the team. Review the guidelines above for team membership and select appropriate representation using people who are interested in the subject and have the ability to create good working relationships across business unit boundaries. Assign a chairperson for the team to oversee the activities and be responsible for reporting to senior leadership.
- Establish a charter for the team as described above. The team may actually create the charter and submit it for approval to the sponsoring senior leadership, but they should operate under a charter.
- Establish the operating procedures for the team including meeting frequency, tools, reporting requirements to the organization and senior leadership.
- Get started!

## Other thoughts on an IT steering committee

We realize that we have left real questions on the table that must be answered. These questions are highly detailed such as "what tool should we use to keep track of the open requests?" While we can offer guidance to you in this area, that question is too detailed for this white paper. We are available for discussions about this and can suggest options, such as Excel templates that we have developed all the way to enterprise project portfolio and analysis tools hosted in a corporate website.

If you desire additional assistance with this, do not hesitate to contact us for a discussion about this important topic.

# Appendix 1 - Summary of Capability Maturity Model

Summarized/Copied from Wikipedia (http://en.wikipedia.org/wiki/Capability_Maturity_Model)

**Structure**

- *Maturity Levels:* a 5-level process maturity continuum - where the uppermost (5th) level is a notional ideal state where processes would be systematically managed by a combination of process optimization and continuous process improvement.

**Levels**

There are five levels defined along the continuum of the model and, according to the SEI: "Predictability, effectiveness, and control of an organization's software processes are believed to improve as the organization moves up these five levels. While not rigorous, the empirical evidence to date supports this belief".

1. *Initial* (chaotic, ad hoc, individual heroics) - the starting point for use of a new or undocumented repeat process. It is characteristic of processes at this level that they are (typically) undocumented and in a state of dynamic change, tending to be driven in an *ad hoc*, uncontrolled and reactive manner by users or events. This provides a chaotic or unstable environment for the processes.
2. *Repeatable* - the process is at least documented sufficiently such that repeating the same steps may be attempted. It is characteristic of processes at this level that some processes are repeatable, possibly with consistent results. Process discipline is unlikely to be rigorous, but where it exists it may help to ensure that existing processes are maintained during times of stress.
3. *Defined* - the process is defined/confirmed as a standard business process, and decomposed to levels 0, 1 and 2 (the latter being Work Instructions). It is characteristic of processes at this level that there are sets of defined and documented standard processes established and subject to some degree of improvement over time. These standard processes are in place (i.e., they are the AS-IS processes) and used to establish consistency of process performance across the organization.
4. *Managed* - the process is quantitatively managed in accordance with agreed-upon metrics. It is characteristic of processes at this level that, using process metrics, management can effectively control the AS-IS process (e.g., for software development). In particular, management can identify ways to adjust and adapt the process to particular projects without measurable losses of quality or deviations from specifications. Process Capability is established from this level.
5. *Optimizing* - process management includes deliberate process optimization/improvement. It is a characteristic of processes at this level that the focus is on continually improving process performance through both incremental and innovative technological changes/improvements.

Within each of these maturity levels are Key Process Areas which characterize that level, and for each such area there are five factors: goals, commitment, ability, measurement, and verification. These are not necessarily unique to CMM, representing — as they do — the stages that organizations must go through on the way to becoming mature.

The model provides a theoretical continuum along which process maturity can be developed incrementally from one level to the next. Skipping levels is not allowed/feasible.