

IT Capability Improvement - Key Lessons Learned from Executive Assessments

Introduction

Organizations are increasingly looking for ways to derive more business value from their IT investments. A popular approach is to achieve this value through building an organization's IT capability. In the current fast-changing business environment organizations need to anticipate and respond to shifting opportunities. A well-developed IT capability provides a stable platform on which to enhance competitive advantage or, within the public or voluntary sector, to facilitate the delivery of cost effective and high quality services. In this briefing we explore the lessons learned by 10 large organizations through undertaking one or more IT maturity assessments between 2010 and 2015 using the IT Capability Maturity Framework's (IT-CMF) Executive Assessment (EA) tool. We further examine their experience and their success in building their organizational capabilities.

The IT-CMF Executive Assessment

IT-CMF helps organizations to measure, develop, and monitor their IT capability maturity progression for maximum benefit in their particular context. IT-CMF's Executive Assessment (EA) is a holistic evaluation that provides a point in time analysis of the overall IT capability maturity of the organization. Undertaking an EA can help an organization understand its IT capability maturity across 35 discrete management of IT capabilities. This enables organizations to pinpoint areas of low maturity that require improvement.

Maturing IT capability

For ten organization, we interviewed the sponsors of, or those closely involved in, the Executive Assessments, exploring the motivating factors for organizations to conduct IT-CMF Executive Assessments, their views of the EA experience and lessons learned. Participating organizations are profiled in the table below.

'The leadership recognized that there were gaps and there were inefficiencies... there was a sense that change was needed.'

CIO, Multinational organization

Profile of Participating Organizations

Sector	Region	Informant Role
Health	Europe	CIO & Sponsor
Government	Europe	CIO
Finance	International	CIO
Electronics	International	CIO Office, Assessment Lead
Health	Europe	CIO
Government	Europe	CIO
Government	Europe	CIO Office, Assessment Lead
Finance	Europe	CIO Office, Assessment Lead
Energy	International	CIO & Sponsor
Finance	International	CIO Executive Sponsor

Motivations for undertaking IT-CMF EA

We found that motivations across the ten organization often varied: For some organizations, they sought objective validation of IT capabilities and to build internal support regarding priorities for action. Others sought a fresh perspectives/thinking regarding Enterprise IT management and benchmark data for supporting IT improvement discussions. The ability to benchmark with other similar organizations, was attractive to many participants. Others were seeking objective methods to articulate the business value, using business-led terms that their business partners would understand (rather than IT-led terms). IT-CMF was also viewed as a helpful tool to guide an organization through periods of organizational transformation – contributing to the how the process of change and improvement should be effectively managed.

Experience of the IT-CMF EA process

When asked each organization for their views and experience of the EA process, all participants in the research found the assessment useful and said that they would recommend an IT-CMF to another organization. CIOs reported that capability improvements resulted from focused action plans in specific priority areas as well as broad education initiatives leading to general improvements. These planned actions involved changes to a variety of organizational dimensions, from structures, people, and process to performance measures and management. One CIO explained that, to be successful, the

'IT-CMF assessment is part of a new culture, a new way of thinking, a philosophy as much as a method.'

CIO, Multinational organization

assessment outcomes need to be turned into a compelling vision, plan and a roadmap that address the organization's structure, people, processes and technology.

Lessons Learned from the IT-CMF EA experience

Our research highlights 10 important lessons for other IT-CMF and EA users:

1. **Get Executive level support up-front**, particularly for sponsorship of the improvement initiatives. An IT-CMF assessment provides a new way of thinking; Consider and plan for the organizational culture change impact on the roles of both practitioners and management. Make any improvements visible in both the CIO's and the CEO's KPI dashboard – to ensure their continued support.
2. **Ensure Executive understanding of the value of IT-CMF and the meaning of the maturity scoring.** This can be very important for success. There can be a gap in score awareness between those familiar with using maturity matrices and those unused to such frameworks. It can be hard to communicate that the 1 -> 5 scale does not represent a Bad -> Good progression, but in some cases represents the particular organization's business priorities, and in fact a high score can be a red flag for over-investment.
3. **Ensure that the focus is more on improvement action than on the assessment activity.** Education and awareness around IT-CMF, the resultant improvement roadmap and what it can contribute to is vital to applying IT-CMF to realize value from IT.
4. **Treat the Executive Assessment as the start of a change process.** Organizations need to plan and invest in implementing the changes required. Post Executive Assessment, IT leaders need to support and resource the action plan. The Practices, Outcomes and Metrics (POMs), provide guidance on what good looks like and can be used to help speed the implementation of new practices contributing to capability improvement.
5. **Pilot capability improvement efforts and by planning focused 'quick-win' initiatives.** Participants may be overwhelmed by the sheer size and quantity of what's involved post assessment. Use quick-wins and pilots to build confidence while not spreading improvement efforts too wide.
6. **Plan follow-through from the EA to identifiable and measurable actions.** Link capability improvement to specific organizational and personal objectives. Use a benefits-driven change approach to follow through actions that will demonstrate delivery of business value. To achieve this, a link must be established between improvement actions, business priorities and improvement programmes (e.g. via specific KPIs). Look for the connection between capabilities and organizational goals, both at the enterprise's strategic and operational levels. This will help members translate the assessment into improvement plans using a benefits-driven approach. Make a strong link between actions to improve IT capabilities and business performance improvement.

7. **Create a community of practice** for practitioners (e.g. by prioritized IT-CMF Critical Capability (CC)). This helps to fast track maturity improvement (particularly in a large organization) while opening up new collaboration opportunities.
8. **Link results of internal company surveys**, e.g. customer satisfaction surveys, **to the business value of IT**. These surveys can be useful mechanisms to both capture and track progress in IT capability maturity.
9. **Include business colleagues in the IT improvement**, encouraging them to engage with the IT function on issues of key strategic interest i.e. areas where mutual improvement will help guarantee enhanced results. This enables linking outcomes back to the business objectives.
10. **Explore novel or alternative use-cases for applying IT-CMF** e.g. to redefine roles and accountabilities across the IT function, identification of key skills. IT-CMF is regularly utilized through an executive assessment, however many organizations apply additional use-cases when using this framework to realize the value in their organizations.

Capability Improvement

‘The organization won’t change unless the people understand how they can change themselves.’

– Sponsor, High-tech multinational

Learning from this and other research conducted with IVI membership, IVI has developed a set of guides, templates, and tools to effect transformation and performance improvement in an organization’s IT management capability.

Next Steps

If you are interested in maturing your IT capability, visit www.ivi.ie to find out more.

Contributing Authors

- › Colin Ashurst, Senior Lecturer and Director of Innovation - Newcastle University
- › Catherine Crowley, Research Fellow – Innovation Value Institute
- › Clare Thornley, Research Fellow – Innovation Value Institute

About IT Capability Maturity Framework™ (IT-CMF™)

IT Capability Maturity Framework™ (IT-CMF™) is a comprehensive suite of proven organizational management practices, assessment approaches, and improvement strategies covering the key capabilities needed by the IT function to deliver agility, innovation and value creation for the wider organization. IT-CMF enables organizations to make better-informed decisions on designing improvement strategies, and to execute them more effectively, efficiently and consistently.

About Innovation Value Institute (IVI)

The Innovation Value Institute (IVI) is a multi-disciplinary research and education establishment co-founded by Maynooth University and Intel Corporation. IVI researches and develops management frameworks to assist business and IT executives deliver digitally enabled business innovation. IVI is supported by a global consortium of likeminded peers drawn from a community of public and private sector organizations, academia, analysts, professional associations, independent software vendors, and professional services organizations.

Contact Us

For more information on IT-CMF and other business digitization topics, or on becoming a member of IVI's international research consortium, please visit www.ivi.ie or contact us at: ivi@nuim.ie or +353 (0)1 708 6931

Innovation Value Institute, IVI, IT Capability Maturity Framework, and IT-CMF are trademarks of the Innovation Value Institute. Many of the designations used by manufacturers and sellers to distinguish their products are claimed as trademarks. Where those designations appear in this document, and the Institute was aware of a trademark claim, the designations have been printed with initial capital letters or all in capital letters.