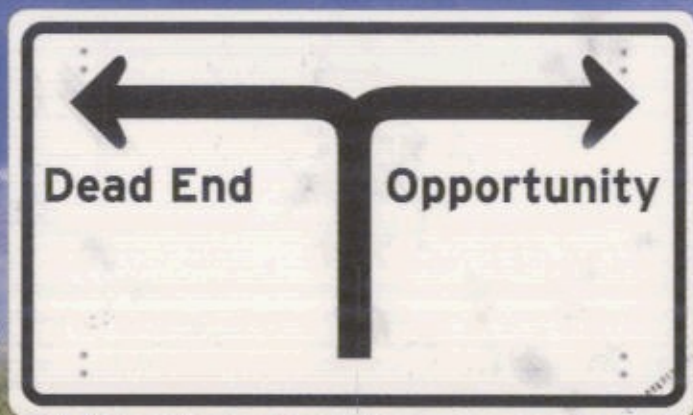


IT SUCCESS!

TOWARDS A NEW MODEL FOR
INFORMATION TECHNOLOGY



MICHAEL GENTLE

Contents

<i>Introduction</i>	ix
<i>Acknowledgements</i>	xiii
<i>Abbreviations</i>	xvii
PART I BLINDED BY SPECS	1
1 In Search of Excellence the Fundamentals	3
• The more things change, the more they stay the same	3
• A worldwide phenomenon	4
• How the traditional IT model started	5
• The construction industry trap	6
• The free lunch trap	7
• Houses of ill repute	8
• A business problem rather than an IT problem	10
• IT and original sin	12
• No sacred cows	12
2 IT 101 – The Basics for Non-Specialists	15
• The process breakdown for traditional IT activities	15
• The process breakdown for business (i.e. non-IT) activities	16
• The fundamental difference between IT and non-IT activities	18
• 'That's not my problem!' – process ownership and behaviour	19
3 The Flaws of the Traditional Model	21
• The unintended consequences of the waterfall method	21
• In search of a pizza parlour manager	22

• Who provides process expertise – client or vendor?	22
• When standard client–vendor relationships are possible	24
• When standard client–vendor relationships pose problems	25
• Is a standard client–vendor relationship possible for IT?	26
• The 'Statement of Requirements' (SoR) trap	26
• A poor to non-existent pricing model	28
• Should IT be run like a business (i.e. an ESP)?	30
• The limits of outsourcing	31
• Current IT organizational trends	32
• The ultimate litmus test to determine one's business model	33
• What model would be appropriate for IT?	34

PART II BUILDING A NEW BUSINESS MODEL FOR IT 35

4 Managing Demand 37

• Managing demand – traditional model	37
• Managing demand – new model	39
• Capturing demand and identifying opportunities	41
• Prioritizing and approving demand	43
• Planning approved demand	49
• Linking demand to resource capability	49
• Approving demand based on portfolios	50
• The missing component in Project Portfolio Management	53
• Business cases are in the eye of the beholder	54
• Building the IT plan and budget	55
• Demand from a customer perspective	56
• Shaking off the chains of the construction industry	56
• Funding approved demand	58
• Roles and responsibilities	59

5 Managing Supply 61

• Managing supply - traditional model	61
• Managing supply - new model	63
• Iterative development in practice	65
• Why prototyping has never become mainstream	74
• Is prototyping the answer to everything?	78
• Project critical success factors	79
• Maintenance - letting go of the M-word	79

• Delivery and implementation	81
• Service and support	81
6 Monitoring Costs and Benefits	83
• Monitoring costs and benefits for traditional IT activities	83
• Monitoring costs and benefits for business (non-IT) activities	84
• Monitoring costs and benefits – new model	85
• Ownership and accountability for costs and benefits	86
• Cost–benefit analysis during the life of a project	87
• It is normal for costs and benefits to change!	88
• Portfolio performance monitoring	88
• Cost–benefit analysis after project delivery	89
7 Financials	91
• The main categories of IT costs	91
• Ownership of IT costs for the regulation of supply and demand	92
• Who has the final say for IT investments?	92
• Allocations vs cross-charging	93
• Capturing costs for allocations and cross-charging	94
• Benefits as part of the P&L and annual planning	95
• Ongoing cost–benefit analysis for applications	96
• Reducing application lifetime costs	100
• The limits of financial ROI when applied to IT	102
PART III THE NEW MODEL IN PRACTICE	105
8 Players, Roles and Responsibilities	107
• Players, roles and responsibilities – the business	107
• Players, roles and responsibilities – IT	111
• The new business–IT relationship	112
• The changing role of the business analyst	113
• The changing role of the developer	113
• Towards the merging of the developer and analyst roles?	114
• The changing role of the project manager	115
• The changing role of the operations department	116
• What role for PMOs?	117
• The role of External Service Providers (ESPs)	119

9	Getting Started	121
	• The business challenge	121
	• The IT challenge	122
	• Where to start	123
	• How to start – from checklist to action plan	124
	• From the status quo to first results	128
	• From first results to asset management	133
	• The role of best-practice methodologies	136
	• How consulting companies can help	138
	• How tools can help	139
	• The costs of moving to the new model	140
	• In closing – addressing the three fundamental questions	142
	• Further reading	143
10	Case Study	145
	• The company	145
	• The business problem	146
	• The project context	146
	• Building an IT–business partnership	147
	• Kicking off the project	148
	• Feasibility study and defining a solution	149
	• Building the business case	150
	• Project approach	151
	• Product evaluation – buy or build decision	151
	• Building a prototype	152
	• Results	154
	• Timescales	155
	• Three months later	155
	• One year later	156
	• Two years later	156
	• Main lessons learnt (on the plus side)	156
	• Main lessons learnt (on the minus side)	157
	• Comments with respect to the new model	157
	• Reader feedback	158
	Index	159