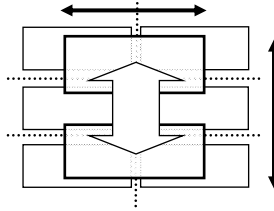


# IT Engagement Model: How Companies Link Company-Wide IT Governance to Projects

Management Information Systems Research Center,  
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University of Minnesota

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- IT-Enabling Business Innovation and Transformation
- How IT Can Enhance Business Agility

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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

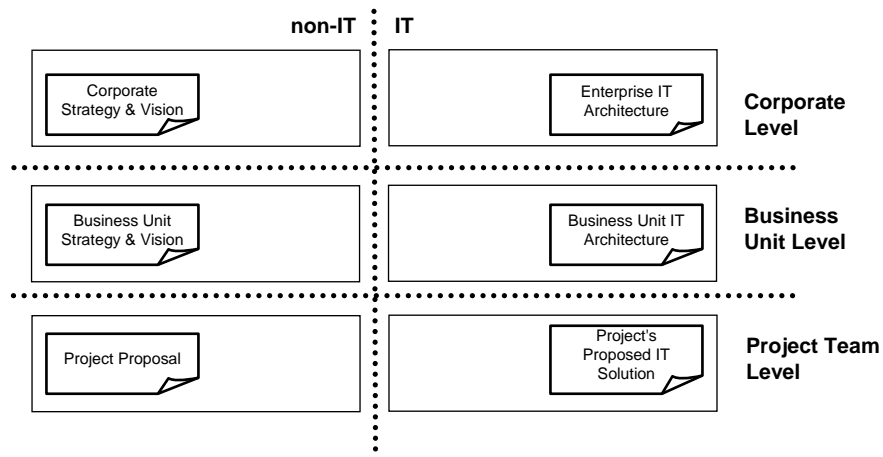
- **The challenge:**  
How to use IT to achieve both local and global objectives
- **The solution:**  
Linking company-wide IT governance and project mgmt.
- **The three components of an IT engagement model**
  - Company-wide IT governance
  - Project management
  - Linking mechanisms
- **Case studies**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



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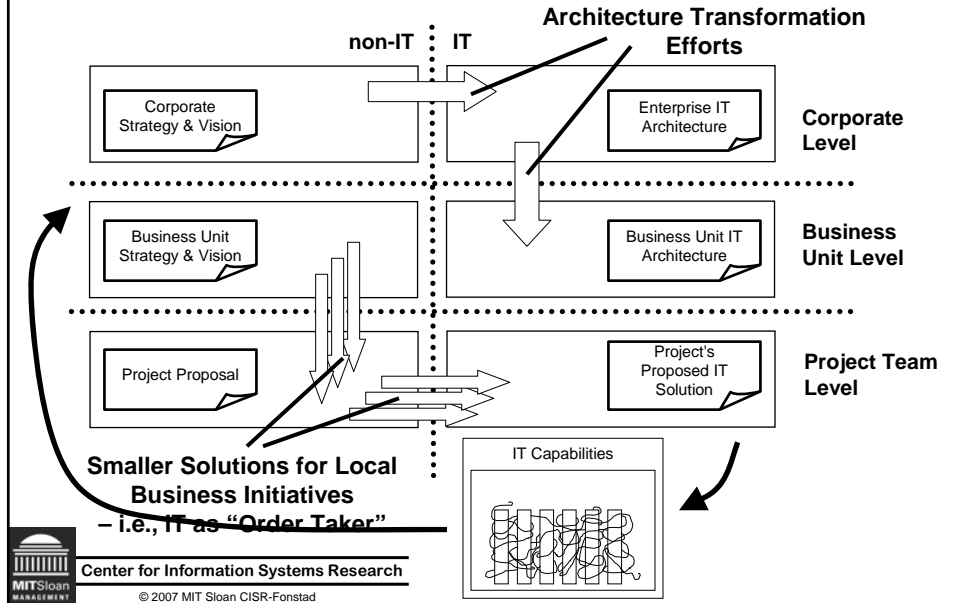
## Achieving Both Local and Global Objectives Involves Engaging Six Key Internal Stakeholder Groups



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## 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:

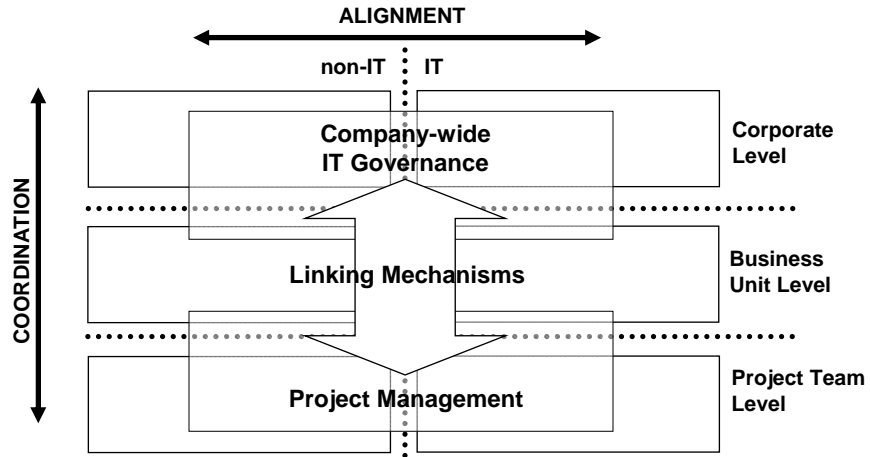
- 1) **Aligns** the interests and efforts of different stakeholders (e.g., align business and IT) and;
- 2) **Coordinates** the interests and efforts of different business units and organizational levels (e.g., coordinate between project, LoB, and enterprise level efforts).



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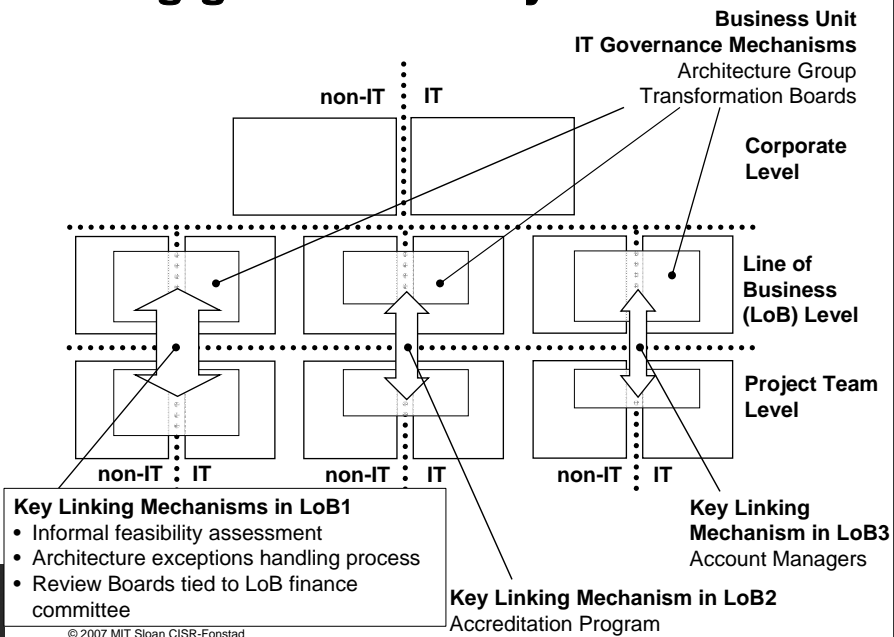
## The IT Engagement Model Has Three Components



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## BT's IT Engagement Model: May 2002



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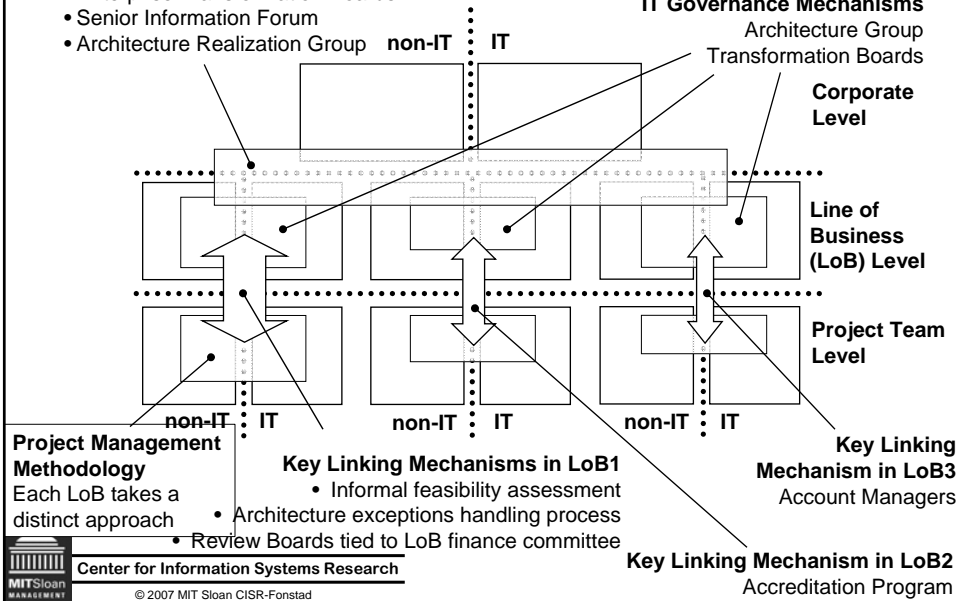
## BT's IT Engagement Model: May 2004

### Organization-wide IT Governance Mechanisms

- Enterprise Transformation Boards
- Senior Information Forum
- Architecture Realization Group

### Line of Business (LoB) IT Governance Mechanisms

- Architecture Group
- Transformation Boards

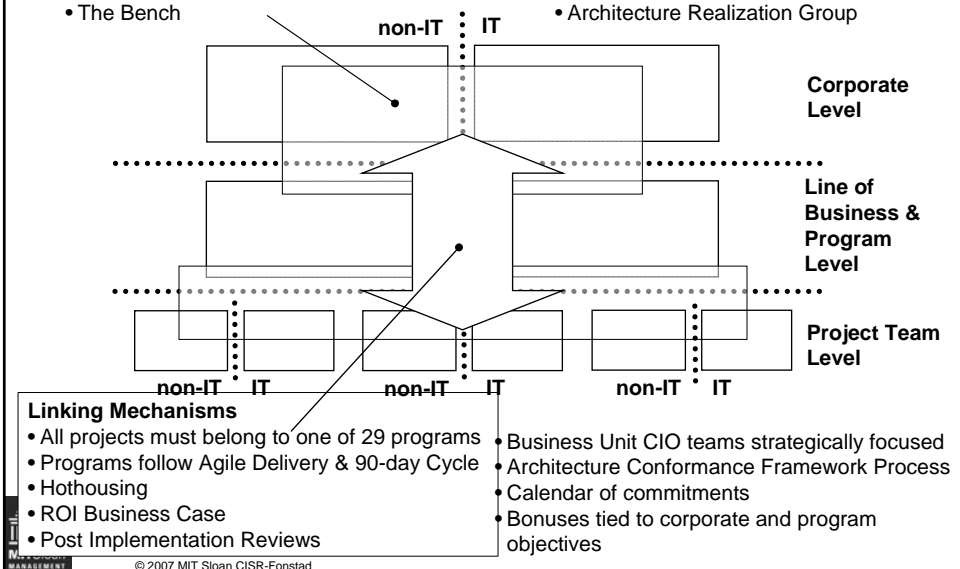


## BT's IT Engagement Model: May 2006

### Organization-wide IT Governance Mechanisms

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

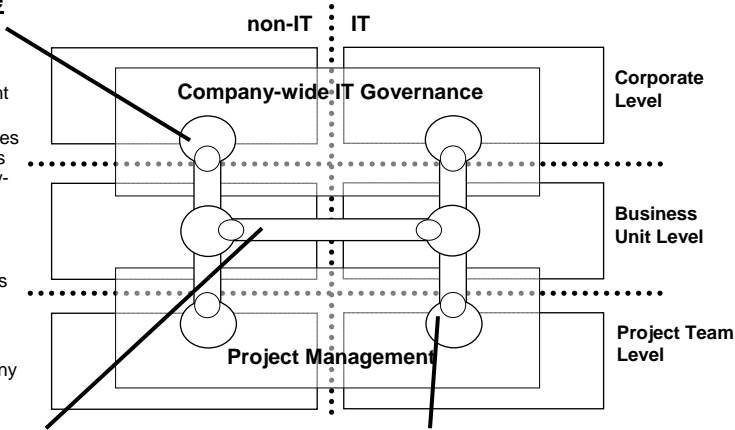
- IT Board
- IT Committee
- Technology Leadership Group
- Architecture Realization Group



## 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



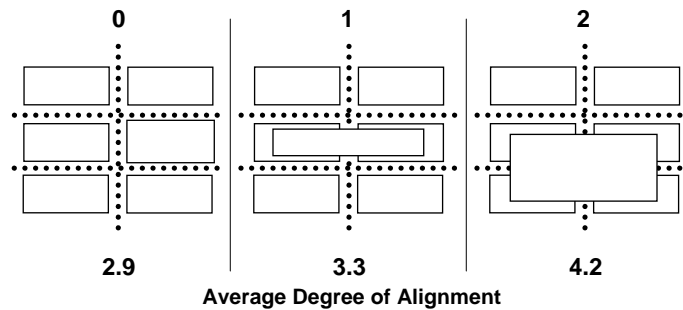
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## Business-IT Relationship Managers Enable Everyday Engagement

### Survey Results<sup>1</sup> on Business-IT Relationship Managers

Number of Organizational Levels Engaging Pairs



### Examples

- TD Banknorth
- BT



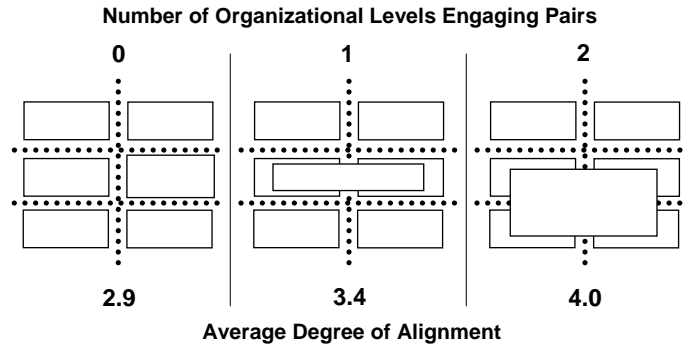
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<sup>1</sup> Results based on survey conducted in 2006. Survey participants were senior IT executives from 32 companies. Degree of Alignment scale is from 1 (lowest) to 5 (highest).

## Program Management Offices Enable Engagement Around Projects

- Survey Results<sup>1</sup> on Program Management Offices



- Examples

- BT
- USAA



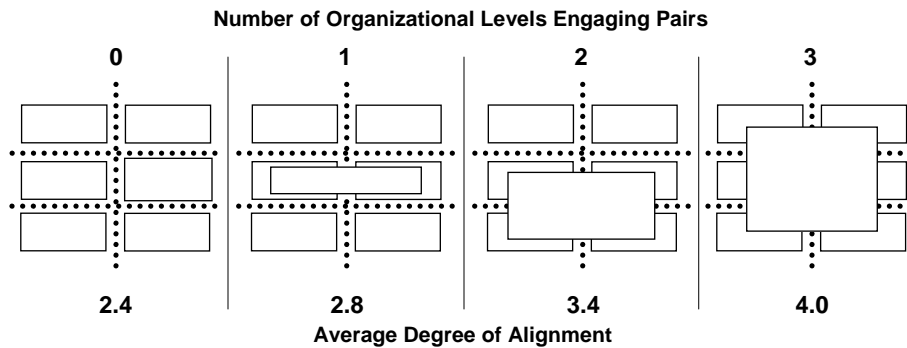
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<sup>1</sup> Results based on survey conducted in 2006. Survey participants were senior IT executives from 32 companies. Degree of Alignment scale is from 1 (lowest) to 5 (highest).

## Post Implementation Reviews Enable Learning From and Across Projects

- Survey Results<sup>1</sup> on Post Implementation Reviews



- Examples

- BT



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<sup>1</sup> 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



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# Thank You



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