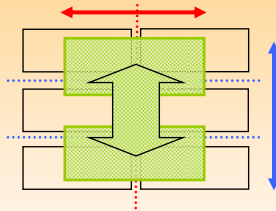


IT Engagement Model: How Companies Link Company-Wide IT Governance to Projects

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CISR Research 2002–2007

Managing the IT Resource

- What the CEO wants from IT
- The Future of the IT Organization
- IT Governance in Top Performing Firms
- Enterprise Architecture as Strategy
- IT Portfolio Investment Benchmarks & Links to Firm Performance
- Reducing IT-Related Risk

IT and Business Strategy

- Business Models and IT Investment and Capabilities
- IT-Enabling Business Innovation and Transformation
- How IT Can Enhance Business Agility

Managing Across Boundaries

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

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Agenda

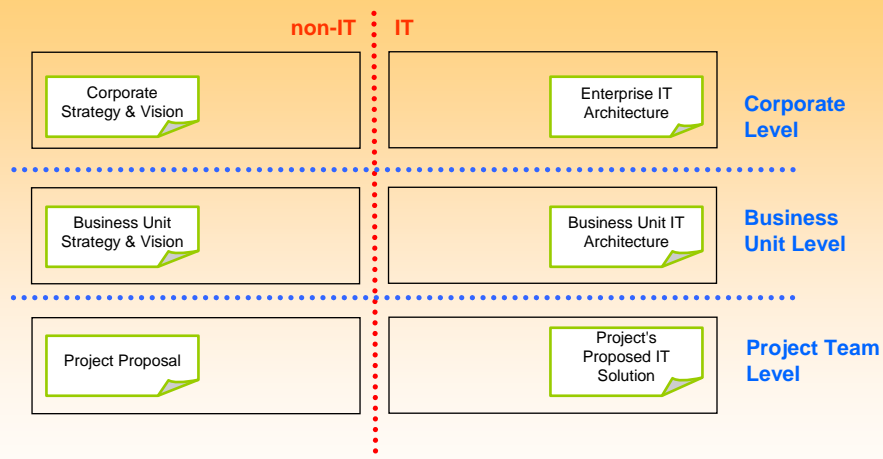
- **The challenge:**
How to use IT to achieve both local and global objectives
- **The solution:**
Linking company-wide IT governance and project mgmt.
- **The three components of an IT engagement model**
 - Company-wide IT governance
 - Project management
 - Linking mechanisms
- **Case studies**
- **Three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



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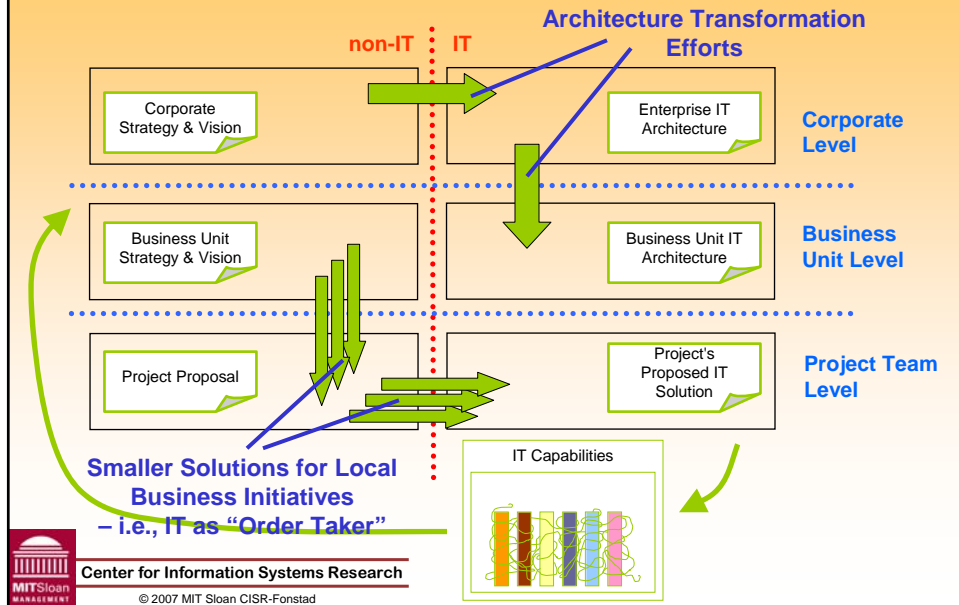
Achieving Both Local and Global Objectives Involves Engaging Six Key Internal Stakeholder Groups



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Traditional Approaches to IT Are Limited Due to Insufficient Engagement



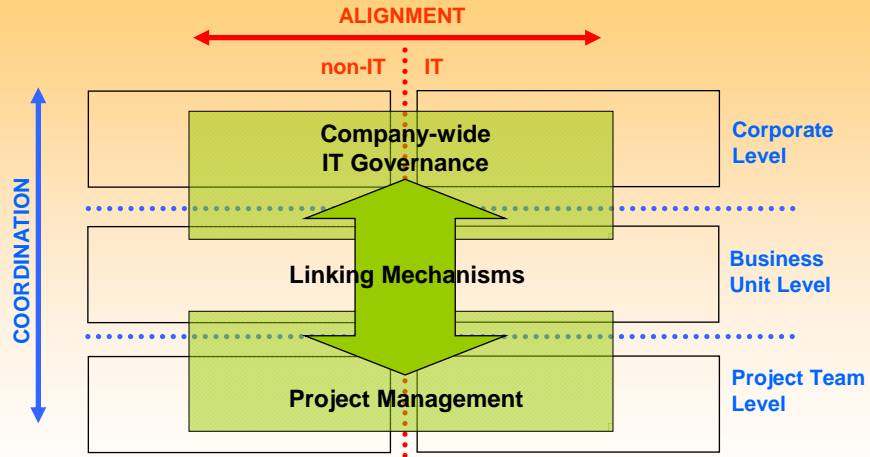
IT Engagement Model

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).

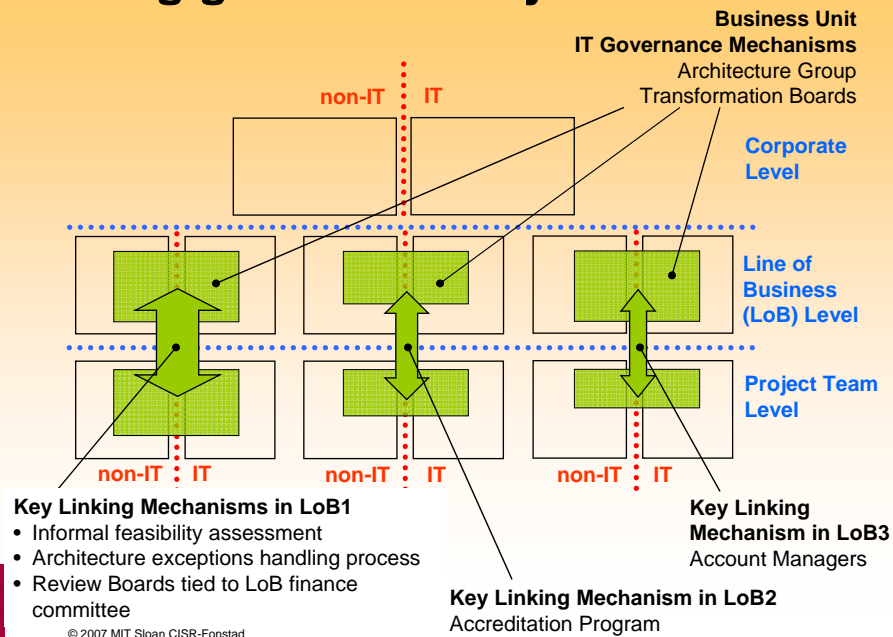
The IT Engagement Model Has Three Components



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BT's IT Engagement Model: May 2002



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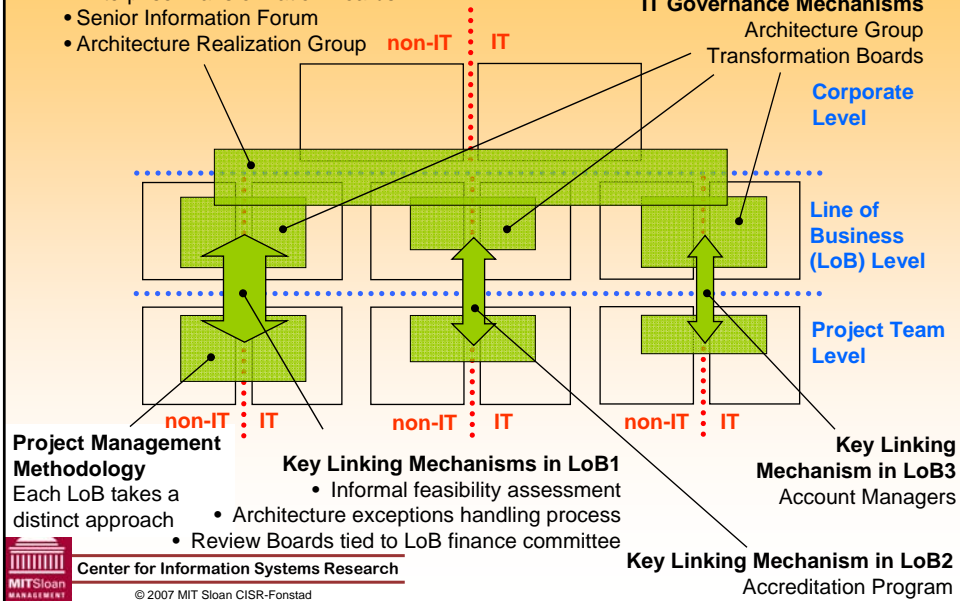
BT's IT Engagement Model: May 2004

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

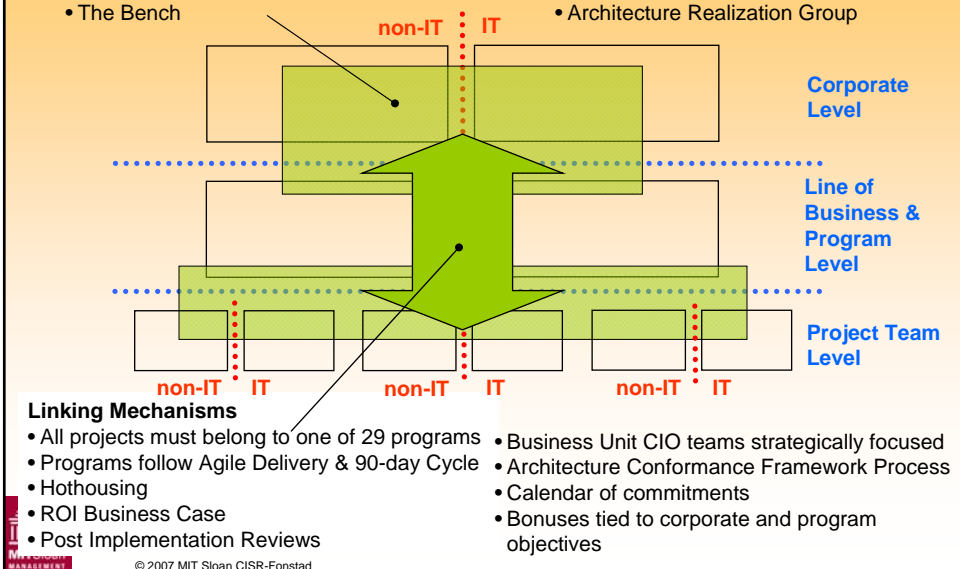


BT's IT Engagement Model: May 2006

Organization-wide IT Governance Mechanisms

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

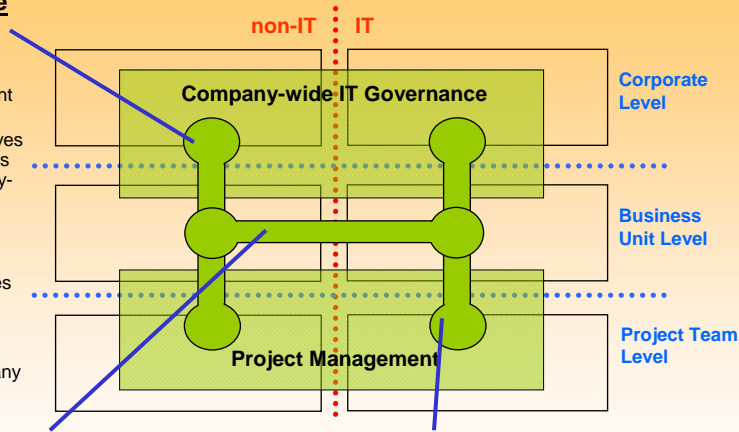
- IT Board
- IT Committee
- Technology Leadership Group
- Architecture Realization Group



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

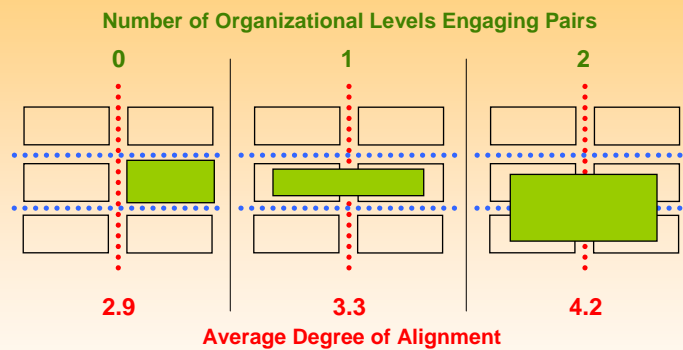


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Business-IT Relationship Managers Enable Everyday Engagement

- Survey Results¹ on Business-IT Relationship Managers



- Examples

- TD Banknorth
- BT



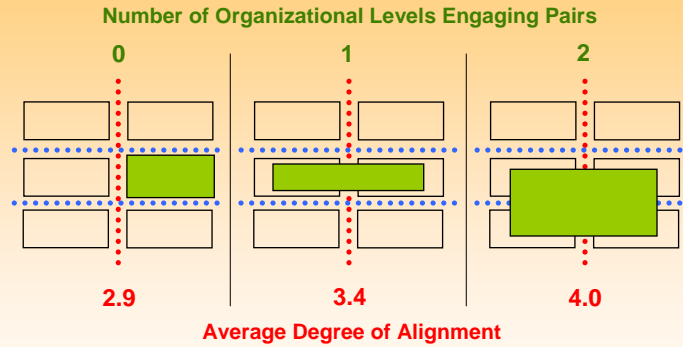
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¹ Results based on survey conducted in 2006. Survey participants were senior IT executives from 32 companies. Degree of Alignment scale is from 1 (lowest) to 5 (highest).

Program Management Offices Enable Engagement Around Projects

- Survey Results¹ on Program Management Offices



- Examples

- BT
- USAA



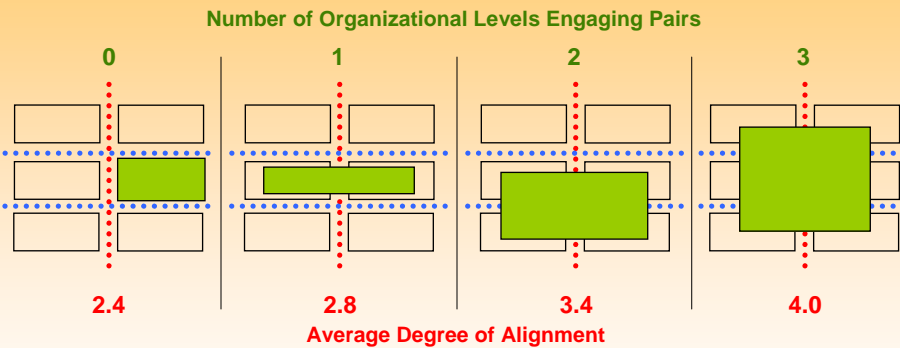
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¹ Results based on survey conducted in 2006. Survey participants were senior IT executives from 32 companies. Degree of Alignment scale is from 1 (lowest) to 5 (highest).

Post Implementation Reviews Enable Learning From and Across Projects

- Survey Results¹ on Post Implementation Reviews



- Examples

- BT



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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



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Thank You



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