Business & IT Alignment
From theory to practice

The number 1 SUCCESS or FAIL factor for ITSM
IT an enabler? ....or a chain around the neck!

- Business & IT alignment trends
- Why we keep failing
- The top ABC BITA issues
- A case using a simulation as ‘enabler’
  - how to get the business engaged and create buy-in AND commit to improvements...

The increasing Importance of IT.....
Trends shaping the Future of ITSM

- Business & IT productivity
- IT and Business alignment
- Business agility & speed to market
- Business process management & reengineering
- IT cost, reliability & efficiency and security
- Increasing impact ITSM as a strategic capability

Growing importance, & dependency

- ISO 38..
- CobIT
- BiSL
- Togaf
- Prince2
- PMI
- Scrum
- Agile
- DevOps
- ISO 27.. 20..
- KT

Poor ability to execute

IT Transformation

“....from Internal focus to outside-in, business focus and a Customer and Service culture……”

CIO needs:

Nr 5: Leadership development and staff training
The increasing importance of IT......

JetBlue and the Lessons of Business Agility

They outgrew the capabilities of critical systems...
Key systems failed under the stress
Estimated loss $40 million

Department of Defense IT: Years late and billions over-budget

By Michael Krigsman | September 30, 2010, 7:49am PDT
A new GAO report highlights $6.9 billion in over-budget IT projects at the Department of Defense. The report also provides excellent advice that private-sector business leaders can apply immediately.

Bound To Fail

Over the holidays, the legacy system failed, bringing down the entire airline, canceling or delaying 3,900 flights, and stranding 200,000 passengers. The network crash cost $20 million, damaged the airline’s reputation, and prompted an investigation

Cloud-based IT failure halts Virgin flights

By Michael Krigsman | September 27, 2010, 9:38am PDT
An IT failure disrupted travel for 50,000 customers of Virgin Blue airlines in Australia. The situation offers lessons for business buyers of cloud services.
ITSM a Strategic Asset!

...you mean HE is a Critical Asset?!! Boy are we in deep Doo Doo!...
The NEED to engage the business…

- ITSM as a STRATEGIC Asset
- Business & IT Integration……
- Engage with the business…

*Effective ITSM cannot happen without the business!*

2nd largest reason for ITIL fail in Forrester report.
29% Lack of business involvement or interest
**ITSM a Strategic Asset!**

- Only 15% of IT leaders said they were aligned.
- 80% of business managers stated the importance of IT in delivering Value in terms of lowering costs, improving productivity, acquiring and retaining customers.

Top 3 in **Luftmans** investigation:
- Understanding of IT by the business
- Building Business skills in IT
- Business & IT change management

**IT solutions & Projects**
- **70%** IT Projects over Time, Budget or fail to deliver value
Why are we going wrong?

A SERVICE is a means of delivering VALUE to customers by facilitating OUTCOMES customers want to achieve without the ownership of specific COSTS & RISKS.

Q?

"...I have 22 points. Therefore I am fully certified in ITIL, therefore I am right...therefore you must be satisfied..."
Experiential learning, Learning by **DOING**

Translating Theory into **Practice**

**Knowledge:**
Expertise and skills acquired through experience or education; the **practical** or **theoretical** understanding of a subject.

…..and confront them with ABC?
Forrester
- Pilot initiatives. Business & IT working together focusing on delivering value.

Using a simulation as a PILOT project.
- Bringing Business & IT people together
- Confront each other with attitude and behavior
- Working together to find a solution
- Better understanding of each other
- Agree improvement actions and ownership

- Customer wanted to raise ITIL maturity to level 3.
- More aligned to business
- Develop more business awareness & skills in IT
- Show business value of ITIL
LEADit
13-15 August 2014

Business Simulation

Game Leader
CEO
Supplier
IT Management

Business Manager

Graphs and charts showing sales and server performance.
Nobody has a Shared view of Value, Outcomes Costs & Risks

They both know the BITA trends and why they are here...
“...my responsibility is receiving USER complaints. Not DOING something about them!...”

Lack of ownership/initiative for bridging the gap.
Lack of trust

Who’s job is it to break through this?

“Plan, Do, Check, Act...what does the DO stand for? Do unto the users before they do unto you!”

Not my responsibility

Them and Us culture -- opposing and competing forces
Business Strategy

- Not shared or communicated in time or clearly
- IT doesn’t understand what this means to them or how they can contribute
- IT is planning resources and upgrades
- You need to ensure we can sell Pizzas over the web and achieve our superbowl targets
- The business forces its priority changes through
No Business priority & investment mechanism. What delivers the most value?

“...I know I say everything is urgent.....but this time I really mean it.....honestly!”

“...here are the emergency updates to the onboard navigation software!”

Everything has the highest priority.... according to the users

No understanding of business priority & impact
Meanwhile.....

What Planet does IT come from?
What language do they speak?

IT is busy looking at the infrastructure

We need to make Changes......
Disks, servers, known errors, bugs, throughput, speed Transactions, backbone.......
...faster, newer, more powerful..

Business manager

It is unable to make the business case for it’s changes

No link to Business Value, Outcomes, Costs or Risks
Inability to translate technology opportunities into Business opportunities

125 UK CIOs estimated 3.5 Billion wasted
IT tries to plan all the business changes… low business involvement & testing…

IT changes not made… capacity fills… …impact of poor changes felt… IT is firefighting and forgets the business…

‘Just like reality’ said the CIO and the business
Business users...making the most of the technology available to them!...

IT goals are too internally focused.....as a result they end up scoring an own goal!

Lack of operational fit & engagement

82% in a survey said they were losing money because of testing failures....

Too little business involvement in requirements specification & testing
Why am I losing money? What happened to my strategy?

Increased incidents & outages..... Infrastructure not maintained

Business value and outcomes not achieved

IT metrics are internally focused... no relation to business.
Lack of shared view on strategy alignment & realization

Neither partner makes an effort to understand the other.

Key performance indicator: 'reduction in the number of incidents'

We don't measure our value contribution to strategy.
Delays in deploying IT solutions
Higher operating costs
Higher IT costs
Threats to business continuity
Lost business opportunities
Poor IT investment decisions
Decreased staff productivity
Damaged business reputation
Solutions don't meet business needs
Dissatisfied customers

What is the impact of all this worst practice?
Customer take-aways

- Current program wrong focus
- Big change in attitude..... WOW! I didn’t realize!...
- Shared goals and commitment to deploy
- Better understanding of each other

- SLM to focus not only on BRM but will translate into IT understanding and capability
- CAB – more advisory role ‘Impact assess with business’ – balance decisions on VOCR
- Process managers – pragmatic approach to CSI – improvements focused on VOCR
- More investment in Problem management as result of ‘Agile’ Project focus
- Deploy Service portfolio management to help business and IT gain better understanding and help prioritize
Taking the first step………

- Making ITSM as a STRATEGIC Asset

  Effective ITSM cannot happen without the business!

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Is this the your Business & IT alignment Strategy?
‘Knowledge translated into changed behavior, to generate outcomes’

✓ Ask everybody in your IT org, what is definition of a Service…then tell them in the context of YOUR organization
✓ Send EVERYBODY in IT into business for 1 day, then have them present findings to team – V,O,C,R?

Let's make Monday the 1st National ‘GO & meet a USER day’

✓ Invite business to come and present to IT
✓ Use interactive sessions with business. Such as ABC workshop or use a simulation – explore, change attitude, agree behavior change.
✓ Start showing, marketing V,O,C,R gains – build TRUST & CREDIBILITY
The FUTURE is YOUR'S to decide....

Neither partner makes an effort to understand the other.
Paul Wilkinson

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Thank you