

By Faisal Hoque

Managers need key, up-to-date information to make real-time decisions.

Knowing the Blueprints

As chief information officers and their information technology organizations prepare for near real-time financial reporting to meet requirements of the Sarbanes-Oxley Act, they will first need a structured way to make informed, real-time decisions of their own.

As financial services consultants have noted, auditors will be interested in knowing what a company's blueprint is for systems and data infrastructure. In my book, "e-Enterprise," readers are introduced to the concept of creating, accessing and repeatedly operating off blueprints—or models—that capture how business objectives are aligned with processes, applications and systems.

In "The Alignment Effect: How to Get Real Business Value Out of Technology," the concept is taken a step further with a management approach called business technology management, which links enterprise models with IT governance to give chief information officers the means to continuously and intelligently respond to business objectives in real-time—in sync and on par with the rest of the business.

Business technology management is an effective approach to governance, because, through its link with models, CIOs can gain the bottom-up information necessary to prioritize, reprioritize and make trade-off decisions in deference to changes in the business. Modeling, whether it goes by something else like "design" or "blueprinting," helps to visualize the end goal before beginning costly implementation.

In the broadest sense, a model is a virtual representation of a real thing. By manipulating this representation, modelers can preview a solution and address design flaws before they manifest themselves in the final product. Modeling is an important part of business technology management because it helps to predict the impact of business and IT change by becoming the "aim" in "ready, aim, fire."

Most project management disciplines divide IT projects into five major stages:

- Conceive—where an initial proposal and cursory description of the project are put forward;
- Design—where a detailed plan is developed that lays out what needs to be done, when and by whom;
- Build—where new assets such as processes and systems are assembled;
- Test—where the new assets undergo rigorous testing to ensure that they perform as planned; and
- Deploy—where the new assets and behavioral changes are implemented in the live business environment.

During the design stage of an IT project, teams can set clear goals and flesh out a solution before actually writing code. In the build, test and deploy stages, the model acts as a reference point to orient ongoing work and to help guide

last-minute modifications in the event that unforeseen challenges and opportunities arise. By playing these important roles, modeling helps the IT project team preempt costly mistakes and improve the quality of the systems they develop.

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In effect, business technology management enables CIOs to manage IT as executive managers do in other areas of the value chain—analytically and preemptively. Until recently, the practice of managing by exception—whereby managers take corrective actions based upon proactive notifications of problems—has been traditionally difficult for IT because it requires that key decision-making information about projects remain up-to-date at all times. Generally, standard approaches to project management result in managers receiving lagging updates concerning a project's status. But the models developed during the activities of business technology management can help overcome this challenge because they capture an accurate snapshot of progress throughout each step of a project or initiative's design.

Decision criteria can be associated with individual elements in the model, and when the model changes, the criteria can be updated in real-time to determine if an exception should be highlighted. This helps identify projects early on that are out of variance so that portfolio managers can recalculate their risk and value assessments.

A common criticism of applying portfolio techniques to IT is that it's done in a vacuum, and so managers aren't necessarily equipped with the underlying data they need in order to effectively evaluate opportunities, threats and constraints. But with business technology management's integration of enterprise modeling and IT governance, CIOs can not only create and maintain the real-time enterprise itself but gain the means for doing the same for their own organizations. BR



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