

Contents

Introduction	1
1. Considerations for the IT Organization	5
1.1 Introduction	5
1.1.1 An Outline of the Argument	5
1.1.2 The Purpose and Scope of an Organization	7
1.1.3 Why is Organizational Shape Important?	8
1.2 The Issue	10
1.2.1 The IT Organization: Is it a Special Case?	10
1.2.2 Traditional IT Organizational Models	11
1.2.3 So Where Does the Problem in IT Organizations Lie?	14
1.2.4 Aims of this Book	17
1.3 Key Considerations for IT	18
1.3.1 Organizational Strategy	18
1.3.2 Quality and Reliability of Service	20
1.3.3 Flexibility of Response; Being Proactive	21
1.3.4 Value for Money; Good Return on Investment	22
1.3.5 Being an Integral Part of the Business	23
1.3.6 The Shift in Business Emphasis	25
1.3.7 The Game has Changed	26
1.3.8 The Impact of Outsourcing and e-Business	28
2. What is an Organization?	31
2.1 Forms of Organization	31
2.1.1 The Problem with Organization Charts	31
2.1.2 Hierarchical vs. Flat	32
2.1.3 Management vs. Leadership	34
2.1.4 Culture	36
2.1.5 A Generic Perspective	37
2.2 Organizational Components in IT	39
2.2.1 Operations	39
2.2.2 Help Desk	41
2.2.3 Applications Development	42

2.2.4	Business Engagement	44
2.2.5	Project Management	46
2.2.6	The Silo Tendency	48
2.2.7	The Introspective Tendency	49
2.3	Organization Life Cycle	50
2.3.1	Recognizing the Atrophy Model	50
2.3.2	The Impact of Doing Nothing	52
2.3.3	Implications in an IT Environment	53
3.	Why Change?	57
3.1	Introduction	57
3.1.1	So What?	57
3.1.2	Addressing Business Demand and Commercial Pressures	58
3.1.3	'Do more with less'	60
3.1.4	The Broader Skills Spectrum	62
3.1.5	Wither Loyalty?	63
3.2	Opportunity-driven Change	64
3.2.1	The Need for Continuous Improvement	64
3.2.2	The Need to Make a Positive Tangible Contribution	66
3.2.3	Recognizing the Business Drivers	68
3.2.4	Allowing for Technological Change	69
3.3	Business Objectives	71
3.3.1	How Should IT be Included in the Loop?	71
3.3.2	How Can the Organization Tie This In?	72
3.3.3	How Does Structure Help?	73
3.4	Portfolio Management	74
3.4.1	A Prioritization Mechanism	74
3.4.2	How Portfolio Management Can Help IT	75
3.4.3	The Benefits of Portfolio Management	79
3.5	The Customer-focused Function	80
3.5.1	The Front-end Trend	80
3.5.2	Problems with Traditional Silo Structures	81
3.5.3	Broad Principles for the Engagement Organization	83
3.6	Engagement Issues	84
3.6.1	Gaining Business Buy-in	84
3.6.2	Having the Skills Needed	86
3.6.3	Demonstrating Value	87
3.6.4	Proving IT's Contribution	89
3.7	Disaggregation	91
3.7.1	Effective Engagement and Entrepreneurialism	91
3.7.2	Issues of Corporate/Central Control and Management	92
3.7.3	The Freedom of Disaggregation/Decentralization	94

3.7.4	What Does This Really Mean?	96
3.7.5	Responsibility/Accountability	97
3.7.6	Flexibility of Structure	99
3.7.7	Real Local Control	101
3.8	Alignment Models	103
3.8.1	Front-end Alignment	103
3.8.2	Alignment by Business Unit	104
3.8.3	Alignment by Customer/Customer Group	106
3.8.4	Alignment by Product	109
4.	Solutions vs. Products	111
4.1	Introduction	111
4.1.1	The Solutions vs. Products Issue for IT	111
4.1.2	Traditional Organization Focus	112
4.1.3	Front- vs. Back-end	114
4.1.4	Relationship with Disaggregation and Alignment	116
4.2	IT Services	118
4.2.1	Articulating What IT ‘Does’	118
4.2.2	‘Solution’ focused; Perception-driven	119
4.2.3	Organizational Impact	121
4.3	Delivery Management	123
4.3.1	The Manufacturing Element; A Stability/Fluidity Mix	123
4.3.2	Both Product and Solution; Results-driven	124
4.3.3	Organizational Impact	127
4.4	Operational Management	129
4.4.1	Keeping The Lights On; Organizational Stability	129
4.4.2	‘Product’ Focused; Service-driven	130
4.4.3	Organizational Impact	131
4.5	Delivering Performance and Value	133
5.	Outsourcing	137
5.1	Introduction	137
5.1.1	The Growth in Outsourcing	137
5.1.2	Reasons for Outsourcing	139
5.1.3	Challenges for the Customer’s IT Organization	141
5.2	Service Management	144
5.2.1	Outsourcing for Service Delivery	144
5.2.2	Key Success Elements	145
5.2.3	Organizing IT to Manage the Outsourced Service	147
5.3	Risk Management	149
5.3.1	Outsourcing for Risk Management	149
5.3.2	Some Key Factors	152
5.3.3	Implications for the IT Organization	154

6. Resource Management	157
6.1 Organizations are About People	157
6.2 Key People Criteria	158
6.3 Key Organizational Aspects that Affect People	160
6.4 Resource Issues	162
6.4.1 What Kind of Person am I?	162
6.4.2 What Kind of Person is Needed?	165
6.4.3 Recognizing the Organizational Imperative	166
6.4.4 Fitting the Right People In	168
6.4.5 HR in the IT Organization	170
6.4.6 Rewards and Benefits	172
6.5 'What Does He Do?'	175
6.5.1 The Bottom Line	175
6.5.2 'What Have I Done to Improve the Business?'; 'Would You Miss Me?'	177
6.5.3 Is This About the Person or Their 'Slot' in the Organization?	179
6.6 Roles, Responsibilities and Accountability	181
6.6.1 What Jobs Do and What They Deliver	181
6.6.2 Defining Boundaries	183
6.6.3 Critical Answers for Effective IT Organizations	184
6.6.4 The Delegation Mirage	186
6.7 Skills Implications	187
6.7.1 Driven by the Person/Role Fit	187
6.7.2 Driven by Organizational Atrophy	188
6.7.3 Driven by the Constant Need for Change	190
6.7.4 And in the 'Static' Parts of the Organization?	191
6.7.5 Knowledge Management	192
7. Conclusion	195
7.1 Summary of Considerations	195
7.2 Some Final Thoughts	204
References	207
A – Journals and Articles	207
B – Books	208
Index	209